

ghborhood

The explained. "But the exhibition is looking ahead to the Impressionists. In the end, we decided to take the moment immediately after the Commune, to explain the Gare Saint-Lazare, the importance of art develops from a everyday experience."

"Le Chemin de Fer" was one painting of the period that he selected. But he did numerous pencil drawings of views from his studio, notably of life on the adjacent Rue de la Gare Saint-Lazare, among them "Rue de la Gare Saint-Lazare" (1878), which is now in the collection of the Musée d'Orsay.

No less important, his studio was a gathering place for artists and writers. In 1876, he invited his students to his studio, inviting press and public. Monet, who lived in a hotel near the station, upon his return from the Paris Exposition in 1878, showed his interest in railroad scenes by painting "La Gare d'Argenteuil" (1878).

But it was not until January 1878 that he obtained permission to paint in several weeks inside the Gare Saint-Lazare. The result was the first of a series of 11 paintings of the station in this show.

The paintings, which were presented at the third Impressionist exhibition in 1878, are a far cry from his earlier Rouen Cathedral paintings.

Indeed, with little effort,

it is possible to gaze at the outside world and

smell original scents in an un-

derstanding of the atmosphere.

Monet even placed himself in the station between the tracks, as if to express his every sense to the world.

Within a few years, the man

had lost the popularity of the

French Monet died in 1883, when

he was 40.

Monet's widow, Camille, had

left him.

Today, the quarter seems

asleep, as if awaiting inspiration.

But the atmosphere and its environs have

been transformed. Thanks to this show, it has

been reborn.

By Jacques Chirac and Michel Veyrac

China's Tobacco King Trips Over a Thin Line

"Only a Fool Doesn't Cheat on Finances"

By Seth Faison
New York Times Service

YUXI, China — Chu Shijian is still a hero in this ramshackle town, even though he stands accused of diverting more than \$145 million from state coffers, one of the most spectacular cases of alleged corruption in China since the Communist Party came to power nearly 50 years ago.

A short and impetuous man, often seen on a factory floor with his sleeves rolled up and a "Red Pagoda" cigarette dangling from his lower lip, Mr. Chu cut a distinctive figure at the tobacco company he led for 17 years, making it the largest in the nation. Mr. Chu now languishes in jail here in Yunnan Province, but Red Pagoda cigarettes are the most popular brand in all of China.

Many residents credit Mr. Chu with single-handedly bringing prosperity and pride to Yuxi, creating thousands

of jobs and building the town's only skyscraper. In Beijing, Mr. Chu is portrayed as a criminal degenerate, who sold cigarettes at \$1.50 or more a pack but booked revenue at only \$1, pocketing millions according to an official report. Authorities say he hid his loot in dozens of bank accounts before he was caught trying to escape to Vietnam a year ago.

Between these two extremes lies a more accurate picture of Mr. Chu, as a dedicated and talented manager, working in a system so secretive and economically irrational that it encourages inaccurate financial reporting, even on a massive scale, as well as outright embezzlement.

Mr. Chu and the story of Red Pagoda embody a central paradox of China today: Virtually any company that earns a multimillion-dollar income, striving to become modern in a system that remains stubbornly old-fashioned, is wide open to so much corruption that



Prime Minister Li Peng, left, conferring with Zhu Rongji, soon to be his successor, as the National People's Congress opened in Beijing.

success almost inevitably leads to financial shenanigans that can spoil any chance of efficiency or genuine profitability.

The authorities like to portray corruption in China as the fault of a few immoral individuals, or as a minor obstacle to reform, rather than as a

symptom of deeper trouble. Yet corruption is virtually built into a system where prices are controlled but finances are not.

As executives and officials here admit when pressed, there barely exists a

See CHINA, Page 4

A Blunt Pragmatist Set to Rise in Beijing

The 'Economic Czar' Expands His Power

By Steven Mufson
Washington Post Service

BEIJING — When Zhu Rongji, then the mayor of Shanghai, toured the United States in July 1990, many people called him "China's Gorbachev," an epithet that annoyed him.

"I'm not China's Gorbachev," he said. "I'm China's Zhu Rongji."

Today, there is little doubt that the blunt-spoken Mr. Zhu is an original. During the annual session of the National People's Congress that starts Thursday, he is scheduled to become China's new prime minister and so expand his already considerable power.

Since being handed the seemingly impossible task in early 1993 of managing China's chaotic economy, Mr. Zhu has moved to remake an arthritic Communist system and bring it into the market-oriented modern age. Moreover, he has done this while engineering a soft landing for China's over-

heated economy and dodging the Asian financial crisis.

"He will go down in history as one of the great economic figures of the 20th century," said Robert Hornsby, an executive at Goldman Sachs & Co. who has met Mr. Zhu on several occasions. "I place him in the same cat-

Zhu Rongji faces big problems, but just how big are they? Page 13.

egory with the great Ludwig Ehrhard, who by virtue of his intellect, determination and courage of convictions was largely responsible for engineering the German economic miracle.

"He has a long-term strategic vision of where to go and how to get there," said Nicholas Lardy, an economist at the Brookings Institution who has been a critic of China's banking system.

See ZHU, Page 4

Israel Holds Lebanese As 'Bargaining Chips'

Supreme Court Says Decision to Keep Group For Possible Prisoner Exchange Is Justified

By Serge Schmemann
New York Times Service

JERUSALEM — The Israeli Supreme Court has ruled that the state is justified in detaining a group of Lebanese nationals, some for several years, on the chance that they could be used as "bargaining cards" in a prisoner exchange, according to documents made public Wednesday.

The ruling was the first official confirmation that the Lebanese, who number 21, according to their lawyer, were being held solely as hostages.

The existence of the group has been reported from time to time, in Israeli newspapers and in reports by human rights organizations, but the reason for

their captivity has been generally held secret.

The Supreme Court's decision, written by Chief Justice Aharon Barak, was reached in November but was made public only Wednesday after repeated appeals by the lawyer for the Lebanese, Zvi Rish.

In effect, the court acknowledged that the Lebanese detainees — most of whom belong to Hezbollah, the Islamic movement that is waging a war to oust Israel from its self-proclaimed buffer zone in southern Lebanon — did not themselves pose any threat to security, and were not guilty of any wrongdoing.

Such a hostage, Justice Barak wrote, was "a bargaining card," that is, someone "captured to achieve a goal, and not himself the target."

"I am convinced that detentions of individuals for the sake of freeing our missing and captured men constitutes a vital interest of the state," Justice Barak wrote. "There is no denying the fact that Israel is in a state of emergency due to the threats hovering over its existence and citizens from within and from abroad." Justice Barak added: "In situations like this, damage to basic human rights is obligatory. Sometimes even grave and painful damage."

The three-judge panel split, 2 to 1, on the case, and Justice Barak agreed to Mr. Rish's request for a review of the matter by a nine-judge panel. Though the decision technically went against the Lebanese, Mr. Rish noted that at least now he and other Israelis could talk openly about the existence of the hostages.

Although the court did not refer to

GOALS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	49

Graca and Madiba / South Africa's Long Romance

To Mrs. Machel, Life With Mr. Mandela Is All About Independence

By Sally Quinn
Washington Post Service

JOHANNESBURG — She takes her place at the lectern, adjusts the microphone and looks down at the audience. Nelson Mandela sits in the front row. A gentle smile comes over her face.

"Madiba," she says softly, addressing him as "Revered One," as if there were nobody else in the room.

Mr. Mandela, lawyer, freedom fighter, survivor of torture, beatings and 27 years of imprisonment, symbol of resistance to apartheid, world hero and president of South Africa, melts. His eyes mist, his face lights up, his grin spreads across his face, his shoulders straighten.

Later she will say about his reaction, with a knowing and womanly laugh: "Yes, yes. He deserves those small things."

Graca Machel is the woman he loves. The woman he will admit has him "blooming like a flower."

She is the woman who rescued him from the terrible loneliness after his breakup with Winnie Mandela soon after he was released from jail. She is the woman everyone in South Africa suspects he will marry, despite her increasingly weaker protestations to the contrary. She is already, in effect, the first lady of South Africa.

She is also a lawyer, widow of the former president of Mozambique, a former freedom fighter, former minister of education in Mozambique and supervisor of last year's UN report on "The Impact of Armed Conflict on Children."

She is 52. He is 79.

Mrs. Machel rarely gives interviews. She knows that though she wants to talk about her work with children, the reporters always want to talk about her relationship with Mr. Mandela. She is right.

In the living room of Mr. Mandela's private home in Johannesburg, Mrs. Machel is in negotiations with six rambunctious boys, aged between 6 and 10. The house is a large white-washed building surrounded by a tall wall with a guardhouse manned by two guards, and Mrs. Machel lives here with Mr. Mandela when she

is in South Africa. Right now the boys are playing video games, and she is trying to persuade them to leave.

"You can go to your grandfather's study," she caresses. They won't hear of it. All of them protest at once.

Mrs. Machel shrugs, gives up. This formal room has been co-opted and turned into a playroom. The side porch will have to do for the interview.

She kicks off her shoes, curling up her feet under her and grins expectantly. How does she feel about the reverence with which she is generally viewed?

"Please," she begs, "don't compare me with Madiba."

"I'm not like him," she says. "I don't know whether I want to be like him. He's the kind of person who will be history for a long time."

They met for the first time in Mozambique in 1990, shortly after his release from prison. Mr. Mandela had come, at least partly, to see her. Before his death in 1986, President Samora Machel had asked Oliver Tambo, president of the African National Congress, to look out for her

and the children if anything happened to him.

But when Mr. Machel's plane went down under suspicious circumstances, Mr. Tambo, weakened by a stroke (he died in 1993), was unable to give the emotional support he had promised. When Mr. Mandela was freed, Mr. Tambo asked him to play the protective role.

Mrs. Machel went to the airport to greet him. "I wanted to see him set his feet on the soil," she said.

It was there that Mr. Mandela has said he first knew Graca was the one for him. He had skipped past her in the receiving line, not knowing who she was. When he was told, he hurried back and greeted her again. At that



Graca Machel is the woman who rescued Nelson Mandela from the terrible loneliness after his breakup with Winnie Mandela. She is already, in effect, the first lady of South Africa.

moment, he has related to friends, it happened.

It was then, she says, that Mr. Mandela "took over the concern" of her and her children from Tambo. "He was not a formal godfather, but after many years, when we started to have this relationship, of course now he is the father of my two children."

Now that they are together the two of them have become almost icons. Mr. Mandela is treated by many as some sort of saint.

"Oh, come on!" she says with a laugh.

"He's a human being." But then, growing serious: "There is a myth about him. That is built up. He is a symbol and we need those

symbols, those myths. They help us to move in those directions of the ideal. They push us in our best instincts to try to be role models."

"But when you come to know him, he's a very simple and very humble person. He cares about the little things in life. He's very gentle. He makes sure everyone around him is very comfortable, feels well and strong. He needs to have human touch. It's very normal and touching. He is a mix of greatness that is a symbol and very simple and humble. It's important to be a symbol but he is not a saint. He has weaknesses."

One of them, she says, is that "sometimes he is not very patient in discussions of very important things."

"Once he's made up his mind, he tends to be very stubborn," she said. "He doesn't accept that he's wrong."

She grins and slaps a reporter on the knee in mock anger, complaining that the subject was supposed to be children, not Nelson Mandela.

In fact, she rather likes

the subject ought to be taboo. But she becomes equally passionate describing her work, particularly with children of war.

Her interest in children grew out of her work as education minister in Mozambique, a position she held for 10 years, even after her husband died. She talks about visiting refugee camps and seeing mothers holding dying children and begging for her help.

"I feel like crying. You feel so powerless. I don't take easily those situations. I don't hide my feelings. Those are the weaknesses. I can't help it. I tend to be very emotional. My feelings are stronger than my rationality."

In Mozambique, she has a foundation of her own, which she continues to run from South Africa, where she is spending more and more time. In South Africa she has been speaking on children's issues to the Truth and Reconciliation Commission, which investigates human rights abuses during apartheid, as well as to nongovernmental organizations.

DOES SHE HAVE more power now to get things done because of her relationship with Mandela? "It's not something I like very much but it's true," she says, and it's obvious that she's conflicted on the subject. Then quickly, almost defensively, "But I have a reputation of my own."

She added: "I want to keep my independence. I want people to see me as myself and not a reflection of somebody else. I cherish very much my independence."

She had been honored the night before at a dinner given by the New England Circle, a Boston-based "global citizens roundtable," for her work with children.

When Mr. Mandela entered with Mrs. Machel it was as if royalty had walked through the door. They hardly had time to eat for the number of people coming over to greet them.

After Mrs. Machel had concluded her remarks, Mr. Mandela, sitting in the front row, crooked his finger at her. She dutifully rose and walked to the edge of the platform, where he was waiting. With that he took her hand, pulled her down toward him and gave her a big kiss, to the stunned delight of the crowd.

Today she does not say won't get married. She has been the one resisting the idea, to protect her independence, her identity. The idea of being married to a man like Nelson Mandela would be daunting to anyone. Is that what stops her?

She pauses and frowns. "This is a hard subject," she says. And then finally, as if she has resolved the issue: "It wouldn't be that I would be giving up my independence. Madiba respects my independence. It wouldn't be that. It's not us. We are O.K."

She leans back and smiles a contented smile. "Actually," she says, "nothing would change."

Vietnam Bares a Rebellion by Peasants

In a Move Toward Liberalization, It Escorts Newsmen to Site of RevoltBy David Lamb
Los Angeles Times Service

QUYNH HOA, Vietnam — Last summer, a remarkable event occurred in this isolated commune: Peasant farmers protesting corruption, high taxes and lack of government responsiveness rebelled against their local leaders, taking hostages and disrupting the rice harvest.

The uprising, which spread to other locales and lasted several months, unleashed nightmare visions in Hanoi. If the Communist regime lost the support of peasants — who make up 80 percent of Vietnam's population of 74 million and represent the regime's main bulwark — what was to stop it from losing control of the whole country?

Hanoi also worried because the peasants were not just unemployed dissidents. Many were former soldiers. Their province, Thai Binh, was a birthplace of resistance against Japanese invaders and French colonialists.

Thai Binh — population 1.8 million — sent off a half-million of its young men to fight the Japanese, French, Americans and South Vietnamese between 1940 and 1975. Forty-seven thousand were killed. More than 1,800 mothers lost two or more sons.

Hanoi initially responded to the rebellion in the province, about 100 kilometers (60 miles) southeast of Hanoi, with predictable silence. It banned foreign correspondents from visiting, then made public in the Vietnamese media a sanitized version of the disturbances.

Last month, in a turnabout nearly as remarkable as the rebellion itself, Hanoi escorted 18 foreign correspondents to the scene of the worst violence, Quynh Hoa, where local officials talked with surprising candor about what had gone wrong. It is believed to have been the first time the Vietnamese have invited journalists to report on what was essentially an unfavorable story.

"We led the fight against foreign invaders, but tell you the truth, we made some mistakes in economic management," said Phan Nguyen Duyet, the commune's Communist Party secretary. "Our cadre were not well-qualified, and that caused waste."

The decision to invite the journalists

— made at the highest level of the government — came when Hanoi is buzzing with new decrees apparently designed to loosen the constraints of government and win back the confidence of investors.

Foreign investment contracts dropped nearly 50 percent last year; tourism has dried up and the pace of economic reform has slowed drastically. Against that backdrop, Prime Minister Phan Van Khai met recently with 800 foreign businessmen in Ho Chi Minh City to promise that Vietnam would rein in the country's numbing bureaucracy and corruption and start opening up society to create a more favorable business climate.

The businessmen had heard similar pledges from other leaders. Farmers who complained about the corruption and the size of "contributions" people had to make to each public works project were dismissed as ingrates.

Last summer, they took matters into their own hands. An unknown number of peasants, armed with knives and clubs, took control of the road to Quynh Hoa. They closed the marketplace, interrupted weddings and funerals, prevented some farmers from working in the surrounding rice paddies and stormed the party headquarters, a small compound that functions as a sort of town hall.

When provincial officials sent 20 policemen to quiet things in November, the officers were disarmed, tied up and held hostage for four days. Some were beaten and three were hospitalized, officials said. Two women sent by higher authorities to pacify female farmers were also taken hostage. The standoff ended without any deaths after Hanoi promised to take action.

So far, 20 of the commune's 37 cadre members have been dismissed. Of the 300 or so peasants involved in disturbances throughout the province, most have been "severely punished" and have undergone "self-criticism sessions" or are awaiting trials.

Western political analysts said the unrest in Thanh Binh was indicative of tensions in many of the nation's rural areas, where farmers — although generally supportive of the Communist regime — believe they have too little say in their destiny and insufficient influence on policies formulated by an urban elite.

This time, however, the prime minister's remarks were followed by a much-applauded devaluation of the local currency and decrees to speed the approval of investment licenses, ease customs regulations, broaden the number of industries eligible for temporary tax relief — and, coincidentally or not, bring journalists to Thai Binh.

Quynh Hoa's 7,000 residents average the equivalent of \$150 each in annual earnings and the commune remains so remote that the journalists were the first foreigners ever seen here, elders said.

Before Vietnam embraced a quasi-free-market economy in 1989, no road reached Quynh Hoa. No one owned a motor scooter. No home had a tin roof or



ONE SIZE FITS ALL — A market seller offering a traditional Vietnamese conical hat in Hanoi, where baseball caps are becoming popular.

Dylan Mecenas/Rex Features

Cathay Pacific Sees a Bright Side

HONG KONG (AP) — Despite the economic turmoil in East Asia, Cathay Pacific of Hong Kong will double daily flights from the territory to London, Los Angeles and Sydney on July 1. It also will add daily flights to Taipei and Singapore.

Britain Breaks Tourism Record

LONDON (Reuters) — Britain enjoyed a record tourism year in 1997. Tourism officials said their figures showed that 26 million people visited Britain last year, an increase of 3 percent over 1996, and spent £12.65 billion (\$20.9 billion).

The Finnish ferry company Silja will stop carrying passengers across the English Channel, but will continue to handle cargo traffic. (AP)

A British consortium, Legend Court, plans to build a theme park in south Wales that it hopes will create 6,500 jobs, open in 2001 and attract up to 2.7 million visitors a year. (Reuters)

Air Philippines says it will start flying to Hong Kong, Singapore and South Korea this year despite the Philippines' economic difficulties. It will also acquire three Boeing 737s to expand its fleet. (AP)

WEEKEND SKI REPORT

Resort	Depth L	U	Mtn. Piste	Pistes	Res. State	Snow	Last	Comments
Andorra Soldeu	40	110	Good	Art	Var	232	all mtns open, mostly good	
Austria Schigl	15	125	Fair	Open	Var	13	all mtns open, good snow available	
	0	50	Fair	Open	Var	13	all mtns open, good snow available	
Lech	75	65	Fair	Open	Var	13	all mtns open, springlike conditions	
Mayrhofen	0	55	Fair	Open	Var	13	all mtns open, 40cm snow at 1800m	
Obertauern	20	120	Good	Open	Var	23	most mtns open, 40cm snow at 1800m	
St. Anton	25	210	Fair	Open	Var	13	most mtns open, north slopes best	
	25	210	Fair	Open	Var	13	most mtns open, uppeer best	

Resort	Depth L	U	Mtn. Piste	Pistes	Res. State	Snow	Last	Comments
Norway Gjel	70	65	Good	Open	Pdrd	43	all mtns open, excellent skiing	
	10	120	Good	Open	Pdrd	33	all mtns open, good snow	
Switzerland Crans Montana	5	230	Fair	Open	Var	1/2	3641 mts open, good above 2000m	
Devon Killin	40	130	Good	Open	Var	1/2	all 120 mts open, good above 2000m	
Klosters	5	120	Good	Open	Var	1/2	some mtns open, good above 2000m	
Murten	20	70	Good	Open	Var	1/2	most mtns open, good above 2000m	
Saas Fee	50	105	Good	Open	Var	1/2	3235 mts open, good above 2500m	
St. Moritz	25	90	Good	Open	Var	1/2	all mtns open, good above 2	

THE AMERICAS

A Starr Subpoena vs. Attorney-Client Privilege

Defense Lawyers See Chilling Effect in Pursuit of Lewinsky Ex-Counsel's Papers

By Jill Abramson
New York Times Service

WASHINGTON — The subpoena by the White House independent counsel of the notes and case files of a former lawyer for Monica Lewinsky is an unusually aggressive move that has created alarm among some defense lawyers.

Communications between lawyers and clients are normally shielded by lawyer-client privilege. But Kenneth Starr's office was believed to have argued in federal court Wednesday that Ms. Lewinsky and her former lawyer, Francis Carter, would not be covered by the lawyer-client privilege if Ms. Lewinsky retained Mr. Carter to prepare a false affidavit in the Paula Jones sexual misconduct lawsuit against President Bill Clinton.

Mr. Carter's lawyer, Charles Ogletree Jr., who is a Harvard law professor, said Mr. Starr's move would chill the dealings between lawyers and their clients. Other lawyers echoed his charge.

Mr. Ogletree was prepared to argue before Judge Norma Holloway Johnson of Federal District Court here that Mr. Carter's representation of Ms. Lewinsky is covered by the lawyer-client privilege and that their communications should remain confidential.

Mr. Starr's effort to obtain information about Mr. Carter's representation of Ms. Lewinsky is one of several moves that have attracted controversy re-

cently. Defense lawyers and White House officials criticized the independent counsel last week for calling a presidential aide before the grand jury to question him about his contacts with news organizations. Mr. Starr is also embroiled in a dispute with the White House over whether Mr. Clinton's communications with some of his aides are covered either by lawyer-client privilege or executive privilege.

Ms. Lewinsky was referred to Mr. Carter by Vernon Jordan Jr., who testified before the grand jury Tuesday. Mr. Jordan, a close friend and trusted adviser of Mr. Clinton's, has said he took Ms. Lewinsky to Mr. Carter's office after she was subpoenaed in the Jones case.

Mr. Carter assisted Ms. Lewinsky in preparing a sworn affidavit in which she denied having had a sexual relationship with Mr. Clinton. Ms. Lewinsky retained a new lawyer, William Ginsburg, after lawyers and investigators working for Mr. Starr confronted her in late January.

Based on taped conversations between Ms. Lewinsky and a former co-worker, Linda Tripp, Mr. Starr's office is investigating whether Ms. Lewinsky perjured herself in the Jones case and encouraged others, including Ms. Tripp, to testify falsely.

Jordan Reaffirms His Loyalty Publicly

Mr. Jordan emerged from a full day of secret

testimony before a grand jury investigating the Lewinsky case and gave the signal the White House was anxiously awaiting — a staunch reaffirmation of his fidelity to Mr. Clinton. The Washington Post reported.

As he left the federal courthouse following nearly five hours of questions Tuesday, Mr. Jordan stopped on his way down the front steps, scanned the assembled cameras with a purposeful stare and, after a pregnant pause, scoured speculation that he would turn on the president.

"As to those of you who cast doubt on my friendship with President Clinton, let me reassure you that ours is an enduring friendship, an enduring friendship based on mutual respect, trust and admiration," Mr. Jordan said, speaking slowly to emphasize his words as cameras clicked and whirred. "That was true yesterday. That is true today. And it will be true tomorrow."

How precisely that translated during the closed-door testimony remained unclear because of grand jury secrecy rules, and neither Mr. Jordan nor his attorney was willing to elaborate, except to say he answered fully and did not invoke his Fifth Amendment right to refuse to respond to questions.

The questioning of Mr. Jordan dragged on long enough that he will have to return Thursday, which will bump a scheduled reappearance by Mr. Clinton's personal secretary, Betty Currie, to Tues-

POLITICAL NOTES



.08

A TOUGH LAW THAT SAVES LIVES

Students watching President Bill Clinton sign an executive memorandum for a plan to lower the blood-alcohol level at which a driver is legally drunk.

Puerto Rico Measure Threatens Republicans

WASHINGTON — Win or lose, the United States-Puerto Rico Political Status Act could do further damage to Republicans' efforts to win the hearts and votes of the Hispanic electorate.

The bill, which was being debated Wednesday in the House, seeks to resolve the question of whether Puerto Rico, a Caribbean island of 3.8 million people held by the United States for 100 years, is to remain an internally self-governing U.S. "commonwealth" or become either a state or independent.

A Republican amendment imposing English-language requirements on Puerto Ricans as a condition for becoming a state threatens to make the bill unpalatable for many Democrats even though it will probably add some conservative Republican support. President Bill Clinton will veto any bill with the English-language provisions, the administration statement said. (WP)

states to set .08 percent as the blood-alcohol level at which a driver is declared legally drunk. States that fail to do so by October 2001 face losing 5 percent of their share of federal highway spending, with the penalty going up to 10 percent at a later date. Many states exceed the .08 limit.

"I hope that the happy hour is over for drunk drivers," said Senator Frank Lautenberg, Democrat of New Jersey, the chief sponsor of the amendment along with Senator Mike DeWine, Republican of Ohio. "Drunk driving is a crime, like assault, like shooting at someone, like murder, and it should be treated with the same severity."

Opponents of the measure expressed concern that the punishments were too harsh and said that the federal government should not be forcing its standards on states.

The issue is also likely to arise in the House when it takes up the highway bill, probably later this month. (AP)

Quote/Unquote

President Clinton, supporting stricter limits on drunken driving after a mother from Maryland described how she watched helplessly from 20 feet away as a driver who had been drinking killed her 9-year-old daughter as she waited for her school bus: "Every parent in this country, every single one, who has ever put his or her child in a car with someone else to go off to some destination, has felt that sense of loss of control, that fear that something might happen." (NYT)

From Inside, a Supreme Court Tell-All BookBy Joan Biskupic
Washington Post Service

patterns over the years, even though clerks move on annually.

Laurie Miller, a clerk to Justice Harry Blackmun in the 1988-89 term, Justice Blackmun retired in 1994 but still goes daily to his office at the court, and some people close to him said he was unaware until Tuesday that his former clerk was publishing a book.

Although legal scholars regularly write biographies of individual justices or tomes on judicial philosophy, this is the first time that a former law clerk has provided a broad-based account of my part to suggest ever that anyone in our chambers was anything other than a clerk to Justice White," she said.

The book focuses particularly on the activities of conservative clerks, who, according to the author, Edward Lazarus, worked in the late 1980s to steer justices to right-wing results, established an e-mail system to communicate with each other and became so interested in denying appeals from death row that when a Florida mass murderer, Ted Bundy, was executed, they "celebrated with a champagne party."

Other former clerks vouch for some of the anecdotes presented by Mr. Lazarus, particularly of battles between the liberal and conservative clerks.

But some former clerks said his view overstated clerk power. Indeed, the justices tend to rule in consistent

patterns over the years, even though clerks move on annually.

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In an interview, Mr. Lazarus dismissed any suggestion that he had violated confidences. "This idea of absolute silence is really a myth," he said. "Clerks have spoken to journalists — they have just done so anonymously. I felt I had something important to say."

He said in the book that he was "careful to avoid disclosing information I am privy to solely because I was privileged to work for Justice Blackmun."

Mr. Lazarus writes in "Closed Chambers" that the justices "resort to transparently deceitful and hypocritical arguments and factual distortions as they discard judicial philosophy in favor of bottom-line results."

Describing himself in liberal terms, Mr. Lazarus casts Chief Justice Wil-

iam Rehnquist as an ineffectual leader and Justice Anthony Kennedy, a key swing vote on the court, as putty in the hands of his clerks and mainly interested in being popular. Mr. Lazarus writes that Justice Kennedy was considered a "prize in the eyes of some of his colleagues."

He also writes that it was "received wisdom among the clerks" that Justice Sandra Day O'Connor distrusted the persuasive, liberal Justice William Brennan "for having hoodwinked her in some unnamed past case."

As a result, Mr. Lazarus says, she refused to sign on any of his majority opinions. Justice Brennan retired in 1990 and died last year.

Mr. Lazarus names names.

He writes, for example, that Andrew McBride, a clerk to Justice O'Connor, was so intent on revenge for the Senate rejection of the nomination of Robert Bork as chief justice that he e-mailed his fellow conservative clerks early in the term: "Every time I draw blood I'll think of what they did to Robert H. Bork."

Contacted Tuesday, Mr. McBride refused comment.

U.S. Global Warming Tab Expected to Be ModestBy Joby Warrick
Washington Post Service

WASHINGTON — If implemented, the international global warming treaty the United States signed in Kyoto, Japan, could add \$70 to \$110 to the average American household's annual energy bill over the next 15 years, according to a long-awaited White House economic analysis.

In the first official assessment of the cost of the historic global warming treaty, reached in December, the Clinton administration forecasts that the agreement would result in, at most, "modest"

price increases for gasoline and other fuels as America's share of the international tab for cutting greenhouse gas emissions. And those increases could be offset completely by lower electricity bills if Congress passes laws to allow utility companies to compete, administration officials said.

But some economists were skeptical,

and others who basically support the White House estimates point out that

they are based on several optimistic assumptions, including cooperation by developing countries and international acceptance of market-based trading mechanisms.

Away From Politics

• An admitted child molester who had himself surgically castrated to avoid a long prison sentence was sentenced nonetheless to 26 years in prison in Geneva, Illinois. Attorneys for Jeffrey Morse, 30, who could have been sentenced to nearly 100 years for molesting two young girls, had asked for a six-year sentence. (AP)

• A teacher in Yorktown, Virginia, was charged with assault and battery for allegedly clipping a 9-year-old girl's fingernails without permission from the student's parents. The teacher was accused of cutting the girl's fingernails because they "were inappropriate in the classroom." (AP)

• A judge ordered Miami to hold a new mayoral election, saying that the contest Nov. 4 was ripe with absentee voter fraud. Xavier Suarez defeated the incumbent mayor, Joe Carollo, in a runoff that Mr. Suarez forced by winning the absentee vote by a 2-to-1 margin. (AP)

Is 'Little' Lake Destined for Greatness?

Lake Champlain, a body of water 107 miles (171 kilometers) long that nestles between the Adirondack Mountains of New York and the Green Mountains of Vermont, has great aspirations.

The ice-age glaciers that carved out the five Great Lakes

— Superior, Huron, Erie, Michigan and Ontario — also created Champlain. But at one-fifteenth the size of Lake Ontario, the smallest of the five, Champlain missed out on official designation as a Great Lake. That means missing out on a share of the \$200 million in federal research money that will go to colleges in states abutting the Great Lakes and the oceans over the next five years, notes The New York Times.

Senator Patrick Leahy, Democrat of Vermont, sought to rectify this alleged injustice. He slipped these seven words into a bureaucratic-laden piece of legislation, thereby rewriting North American topography: "The term 'Great Lakes' includes Lake Champlain." The bill passed the House of Representatives and Senate and awaits the expected signature of President Bill Clinton.

But their legislators from the traditional Great Lakes states noticed the act of perfidy and realized it could hurt funding to their own colleges. A Michigan representative, Fred Upton, has introduced a bill to deny Greatness for Lake Champlain, deriding it as "a pencil line on a map." Geologists and mapmakers dismiss the change. The Big Five, they note, have been recognized as such apparently since the early 1600s, when French explorers referred to them as "Les Grands Lacs." Lake Champlain, discovered in 1609 by the French explorer Samuel de Champlain, was not so named.

Short Takes

The Pittsburgh Police Department, under orders from the federal government, will begin tracking complaints against officers next month. One complaint too many against an officer — running a siren unnecessarily, threatening someone, manhandling a suspect — and the new computer system will notify police supervisors. The supervision, opposed by police unions who say bad cops constitute only 1 percent of the force, follows a series of incidents, including a report by two women that police beat them when they stopped to watch officers beat a man; and another by a disabled woman who said police strip-searched her at a traffic stop, while her children watched. The department also plans training for officers on ethics, cultural diversity and ways to avoid being baited into confrontation.

Brian Knowlton

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INTERNATIONAL

Weizman Is Re-elected As President of Israel

But Race for Second Term Is Not a Cakewalk

By Serge Schmemann
New York Times Service

JERUSALEM — The Israeli Parliament re-elected Ezer Weizman to a second five-year term as president on Wednesday, but only after the maverick former air force pilot was compelled to fight off an unusually tough challenge for the largely ceremonial office that is supposed to be above the political fray.

The election was the first one in which an incumbent president was compelled to fight for a second term, though many past races for the office were hard-fought. Mr. Weizman, 73, is the seventh president in Israel's 50-year history.

In a secret ballot, Mr. Weizman waded off a challenge by the candidate of the governing Likud party, a relatively obscure politician named Shaul Amor. The president won by a vote of 63 to 49, with seven abstentions and one absence.

While popular with the public, Mr. Weizman, a former fighter pilot and defense minister, has irritated some Israeli officials with his sallies into politics

and his careless comments. During the last Labor government, he criticized the pace of the peace talks with the Palestinians, but once the process stalled under Prime Minister Benjamin Netanyahu, he intervened to get it moving.

He has also made impulsive comments about women and homosexuals, for which he subsequently had to apologize, and gained the antagonism of Leah Rabin, the widow of the assassinated Prime Minister Yitzhak Rabin for his clumsy speech at Mr. Rabin's funeral.

Evidently out of frustration with Mr. Weizman's tacit criticism, Mr. Netanyahu's Likud party nominated Mr. Amor, a 57-year-old native of Morocco who is mayor of Migdal Ha'emeq, a city that has prospered as a center of high technology. Though popular in his city, Mr. Amor is little known outside it, and had been passed over by Mr. Netanyahu for a seat on his cabinet.

Mr. Amor focused part of his challenge on his North African Sephardi heritage, hoping to capitalize on dissatisfaction among immigrant Jews with the largely European Ashkenazi Jews who continue to dominate the political and social scene. The tactic prompted Mr. Weizman to grouse, "I feel I have to apologize for being a *sabra*" — a native-born Israeli.

But Mr. Amor failed to garner support from the most powerful Sephardi organization, Shas, and on the eve of the vote there was little doubt he would lose.

Israel Radio said that after the vote, Mr. Weizman called Mr. Netanyahu and said, "First of all, we are going to continue to work together, we are going to learn lessons and work together, and don't worry." Mr. Netanyahu replied, "Precisely. And I have to tell you that I think it is also the beginning of a new era."

Mr. Weizman made the point again in his acceptance speech, saying: "We will sit together and plan our joint life and there won't be any problems. We are both big kids."

While amplying to many officials, Mr. Weizman's straightforward style has made him popular with ordinary Israelis, and he was supported by 70 percent of the public in the race.

His comments, however undiplomatic, often reflect public sentiments, and he is admired for his inevitable readiness to visit sites of tragedies or disasters, or to call on the wounded in hospitals. When the border city of Kiryat Shmonah was threatened by rockets from Lebanon in 1996, Mr. Weizman and his wife, Reuma, stayed the night in a bomb shelter there.

Mr. Weizman also enjoys esteem in the Arab world — as a former warrior, as the defense minister closely involved in the Camp David process that led to the 1979 peace with Egypt and as a president who has actively defended the Oslo process against Mr. Netanyahu.

"We have nothing to hide," he said. "Our project is a water project."

The 3,000-kilometer (1,800-mile) pipeline that extends from deep in the Sahara Desert to Libyan cities along the Mediterranean contains valves and chambers to regulate water flow that "totally preclude the use of the pipes for other purposes," said David Meahan, managing director of Brown & Root North Africa, an arm of the British company that is overseeing the engineering of the project.

Reports of military uses "are a fantasy," he added.

Brown & Root is a subsidiary of Halliburton, a Texas-based oil services company whose chairman is Dick Cheney, a former U.S. defense secretary.

Mr. Meahan and Mr. Saleh, along with other directors of the Libya project authority and its chief South Korean contractor, Dohm Ah Construction, met with reporters here after attending a technical conference on the pipeline.

While some Western engineers who have visited the project have cited widespread use of American construction equipment, Mr. Saleh said most of it was bought before 1986, when Washington imposed an embargo on U.S. exports to Libya. The embargo has increased some costs, the officials said, but not significantly hurt the project.

"We don't have to use Caterpillar," said Tabet Siala, another director of the project authority. "We can use other equipment."

Mr. Saleh said the sole justification for the project was an acute shortage of drinkable water near Libyan cities. Severe depletion of coastal aquifers have left the water "as saline as the sea," he said.



Associated Press/The Associated Press

Shaul Amor, above, holding his head as he votes for president of Israel went against him in the Knesset on Wednesday. He was conferring with a Likud party ally, Pini Shalem. At left, Mr. Weizman and his wife, Reuma, greeted the press after his re-election. Israel Radio reported that after the vote, Mr. Weizman called Mr. Netanyahu and said, "First of all, we are going to continue to work together, we are going to learn lessons and work together, and don't worry." Mr. Netanyahu replied, "Precisely. And I have to tell you that I think it is also the beginning of a new era."

Nati Shoked/Reuters

ISRAEL: High Court Justifies Detention of Lebanese Prisoners

Continued from Page 1

any specific cases in which the Lebanese might be used, their initial capture was linked to Israeli efforts to free Captain Ron Arad, an Israeli Air Force navigator who was shot down over Lebanon on Oct. 16, 1986.

Captain Arad was originally held by the Amal militia in Lebanon, but negotiations over his release foundered, and he was transferred to an Iranian-backed group. He was never heard of again.

After that, according to Mr. Rish, Israel and its Lebanese allies of the South Lebanon Army captured a number of Lebanese men in their 20s and 30s. Ten of them were tried in 1986 and 1987 for membership in hostile organizations and sentenced to prison terms, and when these expired, they were put in admin-

istrative detention. The most prominent captives came later. In 1989, Israeli commandos kidnapped a Hezbollah cleric, Sheikh Abdul Karim Obeid, and in 1994, the Israelis seized Mustapha Dibai, the Amal leader who originally held Captain Arad.

Unlike the earlier group, the capture of these two was given considerable publicity. Sheikh Obeid went on Israeli and American television in 1991 to plead for the release of Captain Arad.

The Israeli authorities have allowed the Red Cross to visit all the detainees except for Sheikh Obeid and Mr. Dibai, who have been kept isolated.

Mr. Rish said he learned of the detainees-by-chance when, as a member of the Association for Civil Rights in Israel, he was making a routine visit to the prison in Bersheba in 1992. He was barred from a wing, and learned from

warden that a group of Lebanese national was being held there.

He won a visit, and filed suit in 1994 to have the men released. Mr. Rish argued that, under Israeli law, people can be held in administrative detention only if they themselves pose a threat to the security of Israel.

"As long as there is no direct evidence that these people are endangering the security of Israel, and the only purpose is in having hostages, then it's illegal and immoral," he said.

Mr. Rish argued that there was no evidence Captain Arad was alive.

"When you lock people up for so long, you have to have some clear evidence there is a reason for it."

Besides, he said, there were 70 Lebanese nationals serving sentences in Israeli prisons who could be used in prisoner exchanges.

CHINA: Tobacco King Is Portrayed as a Criminal Degenerate by Beijing, but He's Still a Hero in His Hometown

Continued from Page 1

large company in China that does not have hidden accounting, secret decision-making, tiny salaries and lavish perks for managers, all of them invasions to greater financial impropriety.

Corruption is so endemic in China's businesses that no one can accurately see where it begins and ends.

"There is no way to measure corruption in China's state-owned enterprises," said Kenneth Lieberthal, a China scholar at the University of Michigan. "But the fundamental structure of Chinese enterprises provides management with ample opportunities to engage in significant self-dealing."

The hand-in-hand collusion of business and government is at the root of structural problems that underlie the Asian financial crisis in many of China's neighbors. Though China has so far avoided a currency or stock market dive, it suffers cronyism as much as, if not more than, Indonesia, Thailand or South Korea.

Hundreds of company executives were disciplined for corruption last year, though it is widely believed that many thousands more have gone unpunished. Without a working legal system, wrongdoing is typically investigated by "discipline inspection teams" that are heavily political, leaving the well-connected free to flout the law.

What seems most remarkable about

employees alike earned less than \$25 a month.

Mr. Chu recognized that, as China's booming economic growth gave ordinary people the buying power to afford cigarettes, promoting the factory's flagship Red Pagoda brand all over the nation was the way to maximize income.

It worked. Red Pagoda became so popular that the official price of \$1 a pack was outstripped by the market price that eventually grew to \$1.50 or \$2. Still

For every corrupt act, a scholar said of Chinese business, "it takes a manager to engage in it and an official to tolerate it."

operating in a system that required the company only to report income from the official, artificially low price, Mr. Chu found that he could set aside millions of dollars earned at the market price.

Mr. Chu spent some of Red Pagoda's unreported income on new machinery, insisting that his company have state-of-the-art facilities to spur production. He also built apartment buildings for his employees and modern offices for his staff, since waiting for officials to do so might mean waiting forever.

Yet there was a dark side, too. By 1995, when the company rolled out more than 100 billion cigarettes, the Red Pagoda brand was so sought-after that dis-

tributors were willing to pay bribes to Mr. Chu and his family members just to get access to his product, even if it cost prices, authorities said.

Since his official salary remained less than \$250 a month, the temptation for graft proved irresistible. It's same as true Chinese executives say, at many large Chinese companies.

The investigation showed that Chu Shijian abused his power to approve the illegal purchase and speculative profiteering cigarettes from 1991 to 1995," the official report said. "His family members and other relatives received large bribes."

Mr. Chu personally pocketed at least \$1.7 million in bribes, the report said, while his daughter took more than \$5 million and his wife more over \$1 million. But even that is a tiny fraction of the more than \$145 million that Mr. Chu diverted from the government, hiding it in various company bank accounts.

In 1996, Red Pagoda reported an income of \$2.3 billion, though it is anyone's guess how much more was coming in officially.

"Only a fool reports his company's income accurately," said another Chinese executive in Kunming, the capital of Yunnan Province. Most companies, he said, operate multiple sets of company accounts, often making it impossible to decipher true sales or profit.

For every corrupt act, a scholar said of Chinese business, "it takes a manager to engage in it and an official to tolerate it."

Yunnan executives also say that Deng Zhifang, the youngest son of Deng Xiaoping, the paramount leader who died last year, was one of the main "princes" — the offspring of China's leaders — who colluded with Mr. Chu.

"For every corrupt act," said Yangsheng Huang, a China scholar at Harvard Business School, "it takes a manager to engage in it and an official to tolerate it. Unlike owners of private firms, public officials do not gain economically from efficient uses of the state-owned assets. At best, they do not actively punish managers who abuse state-owned assets. At worst, they use their power to benefit themselves."

When Mr. Chu's empire crumbled, it did so quickly. In 1996, his wife and daughter were arrested. Mr. Chu's daughter, Chu Yingqun, died in prison, apparently from suicide.

The official report fails to document accurately another side of Mr. Chu's illegal activity. Because of onerous taxes on domestic sale of cigarettes, businessmen say, Red Pagoda exported millions of dollars worth of cigarettes each year, only to smuggle them back into China, where they could be sold without paying tax.

In Yuxi, however, Mr. Chu remains a hero, even after the publicizing of his alleged wrongdoing.

"After all he did for this company, he should be forgiven," said a financial officer at Red Pagoda, whose 5,500 employees are now led by Zi Guorui. "He's an old man."

The officer, standing outside Red Pagoda's headquarters in Yuxi, gestured at the gleaming skyscraper behind him.

"Look at this building," he said. "No one else could have done what Chu Shijian did for us."

The Kunming executive offered a slightly different view.

"He did what every other company head in China does," he said. "He just messed up his connections."

ZHU: China's 'Economic Czar' Poised to Expand His Power to the Prime Minister's Office

Continued from Page 1

Mr. Zhu's ascent marks a victory for economic pragmatism, and a further step away from the ideologically driven days of Mao Zedong. Once condemned as a "rightist," purged from the party and banished to do rural labor, he is now seen as "boss Zhu."

"I'm very pragmatic, and I'm very happy to have somebody very pragmatic become premier of China," said Ye Disheng, deputy mayor of Tianjin.

Despite admiration among those who know him, Mr. Zhu remains largely unknown to ordinary Chinese, and he is loathed by the bureaucrats who have been the targets of his rebukes.

Mr. Zhu once said he wanted to buy 100 bullets, use 99 on corrupt bureaucrats and save one for himself. In one meeting, an official showed off a fancy cigarette lighter. Mr. Zhu said the official could not have afforded it on his salary and fired him on the spot. He also summarily dismissed a senior provincial bank official whose performance did not meet Mr. Zhu's standard. He has threatened to "chop off the heads" of regional bank officials who defied his edicts.

"At a meeting with several hundred

participants, he will put a specific question to a specific individual," Mr. Ye said. "He often criticizes people who aren't prepared."

For all his straight talk on economics, however, Mr. Zhu's politics remain something of a mystery. As deputy prime minister he has been dubbed China's "economic czar." As prime minister his portfolio will be broader. Most analysts say it is unlikely he will initiate political reforms that might distract from or threaten pressing economic measures.

But many people hope Mr. Zhu will prove more liberal or open-minded than his predecessor, Li Peng, who is still associated with the army crackdown that crushed the Tiananmen Square demonstrators in 1989.

Mr. Zhu was born in Hunan Province on Oct. 1, 1928. His father died before Mr. Zhu was born, and his mother died when he was young.

In 1947, he went to study electrical engineering at Qinghua University, China's equivalent of the Massachusetts Institute of Technology. There he joined the Communist-backed New Democratic Youth League. He joined the Communist Party in October 1949, just after the Communist victory over the Nationalists.

down on corruption. While in Beijing hundreds were killed in the military assault. Mr. Zhu made a televised plea in Shanghai that persuaded protesters to withdraw relatively peacefully.

Four days after the Beijing massacre, Mr. Zhu published a speech in the city's major newspapers. Stunned by the official terms "turmoil" or "counterrevolution" to describe the protests, he wrote:

"The event that occurred recently in Beijing is a historical fact, and historical facts cannot be covered up by anybody. The truth will always come out."

The ambiguous statement angered Communist Party hard-liners.

Nonetheless, Mr. Zhu's handling of events in Shanghai became an asset. During his tour of the United States in 1990, with other big city mayors, Mr. Zhu could field criticism of the 1989 crackdown without sounding defensive.

But his style has not won over everyone.

"He is a creature of the state planning system and his instincts are regulation not control of the economy," said David Shambaugh, director of George Washington University's Sino-American Center for Asian Studies. "He is not necessarily the maverick liberal reformer many make him out to be."

A worker tidying up Tiananmen Square before the party congress.

BRIEFLY

Walkout Paralyzes Zimbabwe Business

HARARE, Zimbabwe — A national strike to protest higher taxes and soaring food prices brought business to a standstill for a second day Wednesday and angered the beleaguered government of President Robert Mugabe.

Most factories were unable to operate. State postal, railroad and electricity maintenance services were shut down. Government departments were understaffed.

Information Minister Chen Chimutengwende accused employers of "economic sabotage" by closing their businesses. (AP)

Paris Sits Out Move By NATO on Iraq

BRUSSELS — France refused on Wednesday to endorse a NATO statement backing the United Nations Security Council's latest resolution on Iraq, diplomatic sources at NATO headquarters said.

The statement, endorsed by the North Atlantic Treaty Organization's 15 other members, expressed "strong support" for the council's insistence on Iraqi compliance with the UN weapons inspection regime, including its threat of "the severest consequences" if these obligations were not met.

Diplomatic sources said France objected to the statement on the grounds that NATO had kept itself at arm's length from the crisis in Iraq, which lies outside the theater of alliance operations. (Reuters)

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Information Minister Chimutengwende accused some of "economic sabotage" closing their businesses.

Paris Sits Out War By NATO on Iraq

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The statement, endorsed by North Atlantic Treaty Organization's 15 other members, gave "strong support" for the UN's insistence on Iraqi compliance with UN weapons inspections, including its threat of "severe consequences" if these offers were not met.

Diplomatic sources said France objected to the statement's grounds that NATO had kept its arms' length from the conflict, which lies outside the alliance's operations.

Sandinista Leader Denies Allegations

MANAGUA — Former Sandinista leader Daniel Ortega, the Sandinistas' leader, has denied sex charges against him, saying he sexually abused and harassed his family, and charged as a "manipulator."

Zolotarova Ortega, 30, made the charge in a letter published last week in the *Boletín de Noticias*, a newspaper whose audience is mainly of journalists, diplomats and government officials.

"Since 11 years old, I've repeatedly sexually assaulted her by someone who depicted himself as father, and I'm power," she said in the letter, which she also renounced her name.

Mr. Ortega and his estranged wife, Rosario Murillo, who also denied the charges, presented a joint letter to journalists, calling the charge "manipulation."

It's a Hero in His Hometown

One of the longest unanswered questions in the official report of Mr. Chu's disappearance is whether he was forced to retire in 1985 without detection or whether he voluntarily left. His biggest business, the *Pu Chaochu*, a boyhood hometown in the provincial hierarchy in 1985, was the Communist Party chief of Hunan.

For years Mr. Chu was passed over. His biggest business, the *Pu Chaochu*, a boyhood hometown in the provincial hierarchy in 1985, was the Communist Party chief of Hunan.

Mr. Pu remained there 11 years before he was forced to retire in 1985. In the same year that Mr. Chu came to investigation.

Yunnan executives also say Mr. Chu, the youngest son of the *Xiangyang*, was one of the officials last year, was one of the officials — who called themselves "Chu's" leaders — who called Mr. Chu.

"For every company and

Yusheng Huang, a Chinese scholar at Harvard Business School, "it is hard to engage in it and apologize to tolerate it. Unlike owners of private companies, public officials do not politically nominate assets. At best, state-owned assets are not actively punished managers who use their power to benefit themselves."

When Mr. Chu's empire collapsed so quickly in 1985, his daughter, Chu Yingqun, did not apparently from suicide.

The official report fails to accurately another side of Mr. Chu's illegal activity. Because of new on domestic sale of cigarettes, men say, Red Pagoda cigarettes cost millions of dollars worth of cigarettes exports only to smuggle them back into China where they could be sold without tax.

In Yixi, however, Mr. Chu, hero, even after the publication of the allegations, was arrested. His daughter, Chu Yingqun, did not apparently from suicide.

"After all he did for this country, he should be forgiven," said a police officer at Red Pagoda, whose employees are now led by Zhen Guo, an old man.

The officer, standing outside the company's headquarters in Yichang, said, "Look at this building, how else could we do?"

The Kunming executive said, "He did what every head in China does," he said, "messing up his connections."

ASIA/PACIFIC

Cambodian Convicted Of Smuggling Weapons

Show Trial Is Part of Plan for Prince's Return

By Chris Seper
Washington Post Service

PHNOM PENH — Cambodia's deposed first prime minister, Prince Norodom Ranariddh, was found guilty Wednesday on weapons smuggling charges in a show trial that is part of an international peace plan to allow him to return to the country and take part in elections.

Under the plan, the prince would receive a royal pardon from his father, King Norodom Sihanouk, and not serve any of the five-year sentence.

The trial is part of a Japanese-brokered attempt to salvage the United Nations' \$2 billion effort to build a democracy in Cambodia and ensure that Prince Ranariddh can safely return to take part in the vote scheduled for July 26. His participation is seen as crucial for a free and fair election.

Prince Ranariddh, in self-exile in Thailand, had agreed to the plan but dismissed the charges and refused to acknowledge the proceedings or mount a defense, saying the judiciary is under the control of Hun Sen, who took over in a bloody coup d'état last July.

Mr. Hun Sen and Prince Ranariddh were co-prime ministers in a coalition government elected in 1993, after the United Nations set up a multiparty system.

After the coup, most of the opposition left the country, allowing Mr. Hun Sen to govern unchanged.

But Mr. Hun Sen needs foreign aid and wants the legitimacy of internationally recognized elections. His version of the coup — that Prince Ranariddh was stockpiling weapons to overthrow him — would be used effectively in the election campaign.

The peace plan calls for a cease-fire between the Hun Sen and Ranariddh forces, who have been fighting near the Thai border; for Prince Ranariddh's forces to sever its ties with the Khmer Rouge guerrillas; for the prince to be tried on a pair of charges stemming from the fighting in July, and for King Sihanouk to grant a pardon to the prince once those trials are over.

"We are doing everything to see that Ranariddh can return and to allow him 100 percent participation," said Prok Sokhom, a senior adviser to Mr. Hun Sen.

A cease-fire has held since last week between Prince Ranariddh's forces and the government. The trial Wednesday was the first of two connected to Mr. Hun Sen's charge that it was Prince Ranariddh who initiated the coup.

Scores Die in Pakistan Floods

KARACHI, PAKISTAN — Flash floods swept away hundreds of mud homes in southwestern Pakistan, killing at least 75 people, officials said Wednesday. There were 250 missing.

"The damage is massive," said Noor Ahmed Shah, a government official in Baluchistan Province.

"We're trying to get help to the area, but it's still raining and nothing has been able to land."

A Pakistan Air Force C-130 aircraft and several helicopters tried to land in the hardest-hit area, near Turbat, 580 kilometers (360 miles) south of the Baluchistan capital of Quetta, but were forced to return, Mr. Shah said.

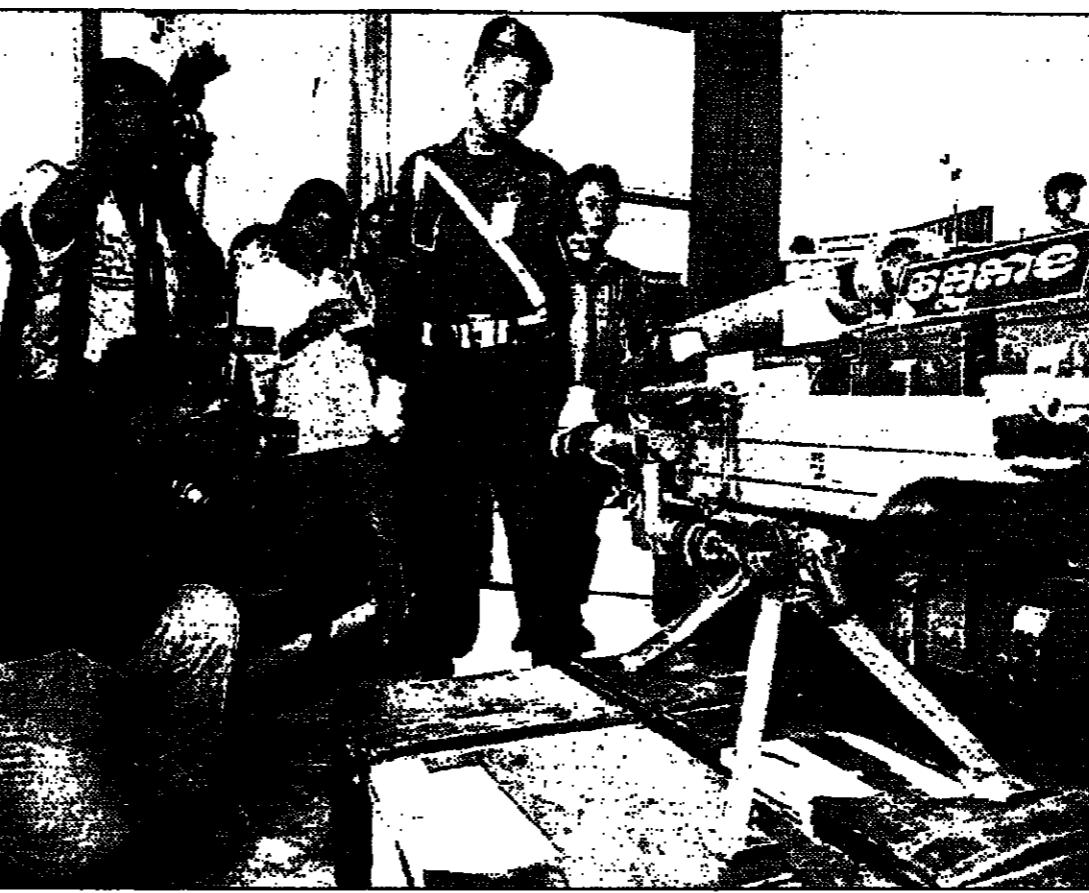
Much of the damage appeared to be to homes built along the banks of a usually dry riverbed. Rains that began Sunday gave rise to a torrent that roared over hundreds of homes.

(AP)

More Dark News for Auckland

AUCKLAND, NEW ZEALAND — Businesses and residents in central Auckland suffering through the 12th day of a power failure got more bad news Wednesday: The blackout will last 10 more weeks.

Merchants estimate that they are losing \$60 million a week because of the failure of four power cables supplying electricity to the center of New



A display of evidence presented during the trial Wednesday of the exiled Prince Ranariddh in Phnom Penh.

BRIEFLY

Child-Rights Protest in Nepal

KATMANDU, NEPAL — Thousands of protesters marched Wednesday through the capital of Nepal to demand an end to child labor.

The police said that more than 3,000 child workers, school children and activists joined the demonstration in Katmandu as part of a global drive to highlight the state of the world's 250 million juvenile laborers.

The protest precedes an International Labor Organization meeting in Geneva in June that will draft a children's rights convention. A group of marchers from Nepal, where there are 1 million child workers, will travel to India, Pakistan, Iran and Turkey on their way to Switzerland to press their demands.

A 2d Hong Kong Mail Bomb

HONG KONG — A package bomb was sent to a Hong Kong jewelry store Wednesday in the second

such incident in the city in three days. Witnesses said smoke poured from the package when it was opened by a store employee, but no one was injured.

The police cordoned off part of Hennessy Road in the Wan Chai commercial district for more than an hour, causing traffic chaos across Hong Kong Island.

The chief police inspector, Douglas Shearer, said: "There was an incendiary device delivered through the mail to the jewelry shop. The device was designed so that when it was opened, it would burst into flames, possibly cause injury to whoever opened it. Luckily, it did not burst into flames."

He declined to comment on the identity of the recipient or the motive.

(Reuters)

Gunshots in a Karachi Court

KARACHI, PAKISTAN — A man at the center of a disputed Pakistani romance was shot and critically wounded at a Karachi court Wednesday as he appeared to face charges of abducting his 19-year-old sweetheart. The police arrested seven members of the girl's family after the incident, in which three policemen were also wounded. Kanwar Ahsan, 30, who is from the Urdu-speaking Muhajir community, says he and Riffat Afridi were married after eloping in February. But her family, from the Pashtun community, has accused him of abducting the girl at gunpoint and has named a man to whom it says she was already married.

(Reuters)

Kim Dae Jung Names Aide To Overhaul Spy Agency

The Associated Press

SEOUL — President Kim Dae Jung on Wednesday appointed a close aide as intelligence chief and gave orders to overhaul the agency he says once kidnapped and tried to kill him.

Lee Jong Chan, 52, who until recently headed the president's transition team, served at the spy agency during the 1970s, when President Park Chung Hee used it to suppress political dissent.

Despite his background, Mr. Lee is considered to be a moderate conservative.

"Because he has first-hand knowledge of the inner workings of the agency, Mr. Lee will be well-positioned to reform the agency and prevent it from meddling in domestic politics," said presidential spokesman Park Ji Won.

During his election campaign, President Kim promised to overhaul the Agency for National Security Planning so that it will focus on its original role of gathering information overseas.

Until the early 1980s, the organization was known as the Korea Central Intelligence Agency. It was used by the country's former military dictators to shadow, kidnap and torture dissidents. Most observers say it has curbed its excesses while keeping a foot in domestic politics.

Fearing he was a threat to South Korea's conservative government, the agency had painted Mr. Kim as a dangerous Communist for his campaign for greater human rights during the 1970s and '80s.

In 1973, when Mr. Kim was in political exile in Japan, he was kidnapped from a hotel room by KCIA agents. Mr. Kim says U.S. intervention prevented the agents from drowning him in the Sea of Japan. He was released in Seoul several days later.

The new spy chief is a graduate of the Korea Military Academy, which produced former military dictators.

■ Seoul May Send Food Aid

South Korea is considering about 200,000 tons in food aid to North Korea, a newspaper reported, according to Reuters. The Chosun Ilbo said Thursday that the Seoul government planned to announce its plans on Tuesday.

"The government is considering sending food aid to North Korea through several means," the newspaper quoted a government official as saying.

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Depressed Armenia Wonders If Victory Was Worth It

By Daniel Williams
Washington Post Service

YEREVAN, Armenia — By now, people here thought, things were supposed to be better, much better, in Armenia.

With the collapse of the Soviet Union, this little corner of the Caucasus won long-sought independence. Everyone dreamed of democracy. The country had friends in Washington. Could prosperity be far behind? Armenia even won a little war along the way to puff up its pride.

But almost all has turned sour. Independence brought not the march of democracy but

a stumble toward autocracy. The last presidential elections were widely regarded as fraudulent and, in any case, the winner was recently deposed in what Armenians refer to as a velvet coup.

Victory in the war with neighboring Azerbaijan looks impermanent. That is particularly alarming because the cost of the conflict was counted not only in lives but also in a crippled economy. Even when compared to other hard-pressed republics of the former Soviet Union, Armenia stands out as a loser.

With new presidential elections scheduled for March 16, the country is fast approaching a crossroads. "We had an illusion of greatness

and now we are climbing down from the dream," said Lyudmilla Harutyunyan, a sociologist. "Now everyone sees that there must be change and some measure of realism."

The central issue of the campaign is the fate of Nagorno-Karabakh, the small, mountainous, ethnic Armenian enclave that Armenia won from Azerbaijan in a six-year war. Armenians are now debating whether possession of Nagorno-Karabakh stands in the way of Armenia's overall well-being.

Russian-supplied arms and a superior officer corps gave Armenia the victory there. In an elaborate fiction, Nagorno-Karabakh declared itself an independent republic. A ceasefire was arranged in 1994.

Azerbaijan refuses to accept the outcome, and time seems to be on its side. Armenia is weakening. Its borders with Turkey and Azerbaijan are closed, and other outlets, through Iran and Georgia, are tenuous. Soviet-era factories remain shut and unemployment is estimated at 45 percent. A country born to attract a far-flung diaspora is losing population through emigration and a low birth rate.

Azerbaijan, on the other hand, is flush with oil. Lobbyists in Washington promote its cause in Congress. At some point, the combination of wealth and influence may undo the battlefield result, some Armenians fear.

Prominent among the doubters was Levon Ter-Petrosian, the ousted president. Last November, he wrote a controversial essay in which he pressed for compromise as an alternative to further war.

"Let us not be preoccupied with self-deception," he wrote, adding, "On the issue of Nagorno-Karabakh, we have no allies. Our only ally is to reject adventurism."

Unfortunately for Mr. Ter-Petrosian, he lacked the political backing to present such a stark choice. His 1996 election was marred by fraud, and he became remote and dictatorial in the months since. A few phone calls from the Defense and Interior ministries were enough to send him packing; he resigned in early February. "Certain power bodies you all know demand my resignation," he said, using an old Soviet euphemism for the police and army.

Mr. Ter-Petrosian's sin was acceptance of a step-by-step approach to resolving the Nagorno-Karabakh conflict. Under a formula proposed by the "Minsk group" of negotiators, in which the United States plays a lead role, Armenia would surrender some buffer zones to Azerbaijan and allow refugees to go home, while international peacekeepers would be deployed in Nagorno-Karabakh. Talks on the final status of Nagorno-Karabakh would be put off.

Mr. Ter-Petrosian's shift toward compromise grew out of persistent hardship in Armenia. Yerevan, the capital, shows the signs of economic depression. Few businesses are opening, and none of the fresh glitters of new capitalism livens the streets. Building facades are unpainted, youths idle, services lacking.

The scene is an improvement over 1993 and

1994, when electricity was cut off and residents burned furniture and books for heat, but there is a feeling the country is going nowhere.

"The only option now is a compromise," Mr. Ter-Petrosian warned. "We can't wait."

Jospin Pledges Not to Re-Convict Italian Terrorist

PARIS — Prime Minister Lionel Jospin pledged not to extradite more than 150 convicted terrorists who have been living in France, despite entry into the European Schengen free-move zone.

The fate of almost 200 Italian extremists convicted of terror has been hanging in the balance since it joined the Schengen agreement in Octo-

In a letter received by one of their lawyers, Mr. Jospin said he would abide by a 1985 decision by former President François Mitterrand "not to extradite people who have renounced their former activities or often made a new life in France."

Paris Unveils Plan to Aid

PARIS — The Socialist government in Wednesday unveiled a 51.4 billion franc plan to fight deprivation in a country where hold in 10 lives below the poverty line.

The plan was welcomed by President Jacques Chirac, who was elected nearly three years ago on an anti-poverty ticket, but did little to implement his promises.

Labor and Solidarity Minister Martine Ameurta led the anti-poverty plan at a regular weekly meeting presided over by Mr. Chirac.

Jewish Wartime Assets

STOCKHOLM — A Swedish commission investigating Jewish assets lost during World War II has found 649 Swedish bank accounts and safety-deposit boxes dormant since 1945, the panel announced Wednesday.

The Commission on Jewish Assets in Sweden contained about 7.5 million Swedish kronor (\$937,500), and were held by people representing 10 nationalities.

War Crime Suspect Surrenders

SARAJEVO, Bosnia-Herzegovina — A Bosnian Serb indicted for war crimes by the international tribunal at The Hague surrendered to NATO-led peacekeepers Wednesday. "He turned himself in earlier noon," said Lieutenant Commander Lou Dragoljub Kumanec, spokesman for the peacekeepers.

Dragoljub Kumanec, 37, handed himself over at a bus stop in the village of Filipovici, situated north of Foca in southeastern Bosnia, to Garneau said. A commander of Serb volunteers during the 1992-95 Bosnian war, Mr. Kumanec was indicted for orchestrating sexual assault on Bosnian women and raping three victims including a 15-year-old girl.

Truck Hits London Palace

LONDON — A truck driver crashed through the gates of Buckingham Palace and was arrested after it stopped by a barrier. Police said the truck involved in collisions with several vehicles blocking the palace. The driver was released on b

Murdoch Says HarperCollins 'Screwed It Up' Over Patten Owner Criticizes the Way China Book Was Dropped

By Warren Hoge
New York Times Service

LONDON — Rupert Murdoch blamed HarperCollins executives on Wednesday for having "screwed it up" in the clumsy dropping of the publication of a book by Chris Patten, the last British governor of Hong Kong.

The decision, attributed to Mr. Murdoch's desire to avoid antagonizing the leaders of China, where he has large media investments and ambitions, had left him "in a completely inexcusable position," he said in an interview published in The Times of London. The newspaper, like HarperCollins, is part of Mr. Murdoch's News Corp.

Managers at HarperCollins last month ordered Stuart Proffitt, the publishing house's top editor, to tell Mr. Patten that his book had not lived up to expectations and would not do well commercially. Mr. Proffitt, who had publicly praised the book as the most lucid and intelligent he had ever read by a politician and a sure best-seller, refused and was suspended.

He is suing HarperCollins for breach of contract as is Mr. Patten, whose memoir is now being published by Macmillan.

Mr. Murdoch faulted his subordinates for inventing "nonsense" reasons why they were reversing course on publishing the book when, he

said, he had been clear from the outset that he did not want HarperCollins involved.

He said he thought the only damage to the firm was "in a PR sense because our people cocked it up at the end."

"I just regretted that our people weren't more forthcoming about it at the very beginning when I was with them," he said.

Mr. Murdoch said the initiative to get rid of the book had been entirely his and that he had "never been under any pressure from the Chinese or asked to do anything."

He said he had never been enthusiastic about Mr. Patten, who in his four years in Hong Kong abandoned Britain's policy of accommodation with Beijing and sought to spread democracy in the colony, attracting vilifying comments from the leaders of China.

"I think he made a bit of a fool of himself out there after suddenly discovering democracy at the end of a 100-year rule," Mr. Murdoch said.

He added that the issue was being "whipped up by the obvious papers," a reference to a campaign in a number of competing British papers to get the government to act against Mr. Murdoch for "predatory pricing." He has drastically reduced the price of The Times in recent years and seen its circulation climb at the expense of its rivals.

The Times was faulted last

week for ignoring the story of Mr. Patten's book when every other news outlet was giving it extensive coverage, and Wednesday, the paper came under criticism from one of its own writers for allegedly slanting its coverage on China to suit its owner.

Jonathan Mirsky, The Times' former East Asia editor, said: "The Times has simply decided, because of Mr. Murdoch's interests, not to cover China in a serious way." In comments made in January but only gaining attention now through an Internet posting, Mr. Mirsky said he had a transcript of a conversation in Beijing between the paper's editor, Peter Stothard, and President Jiang Zemin of China in which the journalist apologized for having put a question to the Chinese leader about the dissident Wei Jingsheng.

No word of the interview was published, Mr. Mirsky said, adding that the episode amounted to "lowering ourselves in our own toilet."

Mr. Stothard responded in a lengthy statement Wednesday, saying that Mr. Mirsky's description of his trip to China was a "travesty of the truth" and asserting that "the China coverage of The Times is solely in the hands of the editor." Mr. Stothard added: "I have never taken an editorial decision to sue Mr. Murdoch's interests. Nor have I ever been asked to."

Willi Dressen, head of investigations into Nazi crimes at the central office in Ludwigshafen, said in a phone interview that 28 cases gleaned from the East German files were still under scrutiny.

But he said it was doubtful that most of them would culminate in trials because in many previous instances, the suspects died before investigators could issue arrest warrants.

GERMANS: Ex-Soldier, 78, Seized as Murderer

Continued from Page 1
and killed 500 people, including women and children, during a two-day killing spree called "Operation Harvest Festival" in November 1943 at the Majdanek death camp in eastern Poland.

The camp was built in 1941 and became a principal site to kill Jews. By 1944, some 360,000 of the camp's 500,000 inmates had died in its seven gas chambers or as a result of brutal treatment by prison guards.

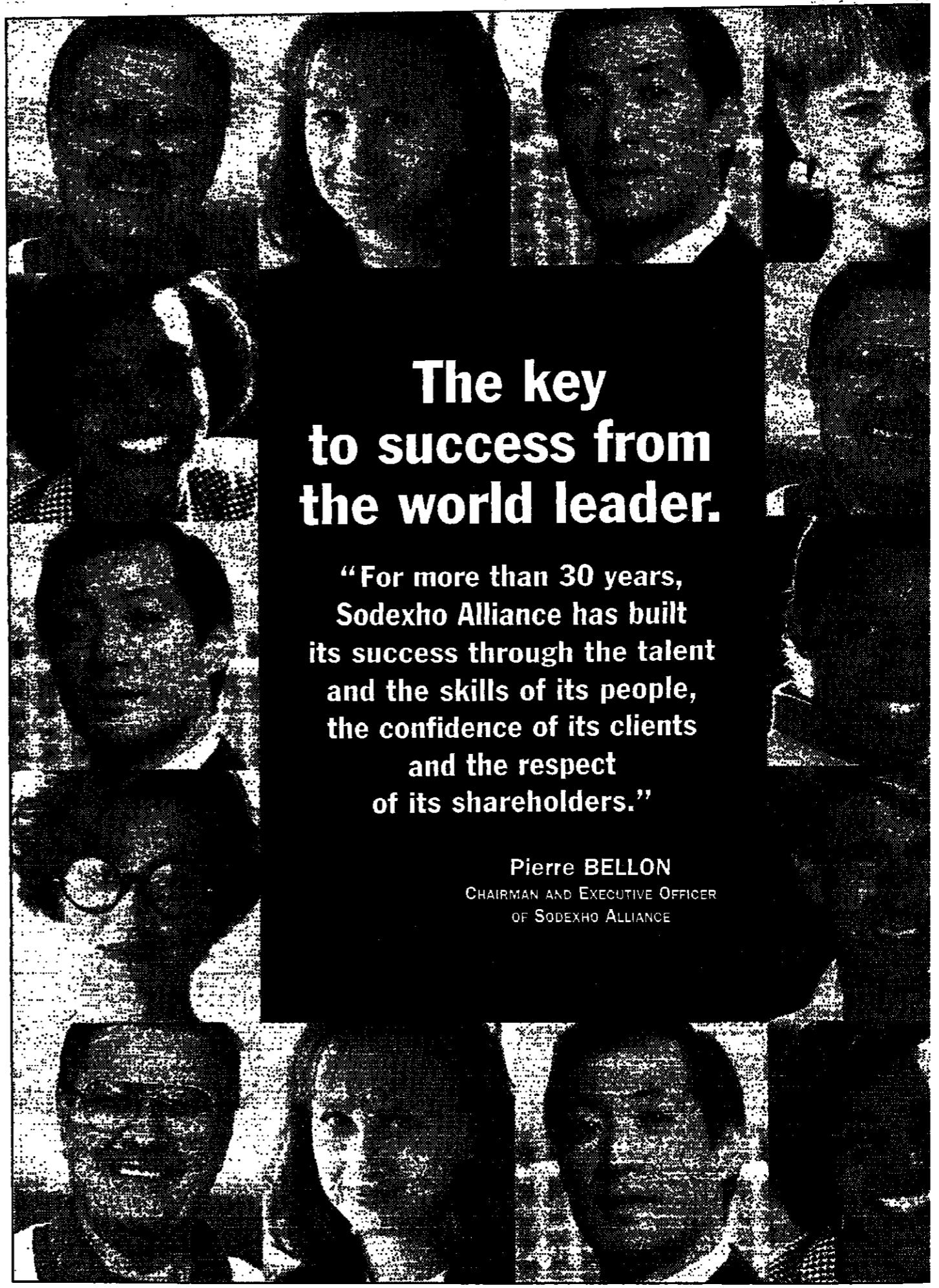
Ms. Maylaender said preliminary evidence indicated that Mr. Goetzfried and his secret-police unit might have been involved in the deaths of more than 70,000 people,

mostly Jews in Ukraine and Poland, from 1942 to 1943, two years before the war ended.

She said he would remain in investigative custody until a formal prosecution could be prepared.

Arrests of war crime suspects in Germany have become extremely rare in recent years since many have died or long ago fled the country to assume new identities abroad.

The last major trial in Germany involved Josef Schwammberger, the Nazi commander of a Jewish ghetto and slave labor camp in Poland, who was sentenced to life imprisonment in 1992. After German unification in



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THURSDAY, MARCH 5, 1998

EDITORIALS/OPINION

Herald Tribune

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India's Delicate Passage

India is once again entering a delicate and dangerous political period. After another tumultuous campaign, the main Hindu nationalist party has fallen just short of a parliamentary majority, but it still won more seats than any other party.

Whether it will be able to form a government, or even be invited to do so by President K.R. Narayanan, is an open question. As competing factions seek to round up majorities, the clash of ideologies and jockeying over spoils in the next few days will probably test India's stability and cohesion.

In the last election, two years ago, the Bharatiya Janata Party, or Indian People's Party, as the Hindu nationalist organization is known, also won a solid plurality. But it failed to attract enough parliamentary support to form a viable government because nearly every rival group refused to sign on to the party's noxious brew of Hindu chauvinism.

This time, because the Hindu party has fallen only about 20 votes short of a majority, it seems in a better position to pick up the necessary votes to form a government.

In the latest campaign the party's leader, Atal Bihari Vajpayee, tried again to portray himself as a moderate on religious issues.

Though he has not gone so far as to repeat the party's pledge to dismantle India's long-standing protections for the country's Muslim minority, he has

promised vaguely to act only on the basis of a consensus.

The problem is that Mr. Vajpayee's intentions might not be enough to rein in the militant Hindu chauvinists, with their vision of India as a Hindu state.

The rival claimant for power is an uneasy coalition led by the Congress (I) Party, which scored a more impressive showing than seemed possible a couple of months ago.

The Congress Party's success was a tribute to Sonia Gandhi, the Italian-born widow of former Prime Minister Rajiv Gandhi and the daughter-in-law of former Prime Minister Indira Gandhi. Sonia Gandhi drew large crowds while defending India's secular tradition and reminding people of her family's leadership and sacrifices.

It will not be easy for the Congress Party to gain the trust of other political organizations in its bid for power. The temptation to put Mrs. Gandhi forward as a figurehead should be resisted. Though she showed courage and conviction in the campaign, she has never done anything to qualify as the political leader of a sprawling and fractious nation.

At this moment of maximum volatility, Mr. Narayanan needs to move swiftly to pick the party or coalition most likely to stay in power long enough to tackle the country's immense social and economic problems.

—THE NEW YORK TIMES.

Gates on the Hill

Bill Gates's appearance Tuesday before the Senate Judiciary Committee lacked the drama of when, early in the century, Congress hauled in J.P. Morgan to defend Wall Street's frightening reach into the sinews of the economy.

Tuesday's hearings also lacked the impact of turn of the century investigations of Standard Oil's manipulative stranglehold — an inquiry that informed later antitrust law and court decisions.

Even so, it was a moment of no small importance — the first confrontation between the information age's wealthiest and most gifted entrepreneur and a Congress that is trying to figure out whether Mr. Gates is the consumer's best friend or a crafty monopolist determined to crush all competitors.

Diplomatically polite to his senatorial hosts, Mr. Gates nevertheless gave little ground on matters of substance and offered some dubious new twists on standard economic terms.

Despite Microsoft's 90 percent share of the market for operating systems, he said, the company could not be called a monopoly because its choke hold might disappear tomorrow.

He insisted that his contracts with equipment manufacturers and Internet service providers did not prohibit their customers from buying rival software. But he failed to point out that some of those contracts placed high hurdles between customers and non-Microsoft products.

Mr. Gates was joined on the panel of witnesses by two critics and competitors. One was Jim Barksdale of Net-

—THE NEW YORK TIMES.

America in Arrears

Kofi Annan spent a year pushing reform at the United Nations and producing results that won respect from sober critics of its managerial, budgetary and administrative horrors. He was to go to Washington this week to urge Congress to pay the \$1 billion-plus in American arrears.

But that was before Mr. Annan's mission to Iraq filled the screen. From earnest reformer, the otherwise low-profile secretary-general became controversial diplomat. He put off his trip to Washington ostensibly to work on a new Iraq resolution. But the American debate shifted ineluctably to the ways of the United Nations. The campaign to induce the United States to pay up was marooned.

As the Senate majority leader, Trent Lott, put it, "I am a lot more interested in what the UN is doing or not doing in Iraq than I am in talking with [Mr. Annan] about the UN arrears."

This is unfair. About Mr. Annan's Iraq achievements, opinions vary. Some people think he served peace and saved the United States a bombing fiasco. Others, including us, wonder if

—THE WASHINGTON POST.

All this is discouraging. But the United Nations is too important to a broad range of American interests to allow issues irrelevant to the American commitment to the organization to intrude. Reform, Congress ordered. The United Nations is delivering. It is the United States' turn to act.

—THE WASHINGTON POST.

Herald Tribune

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A Change of Fortunes for Iraqi Opposition Leader

By Jim Hoagland

WASHINGTON — Six months ago Ahmed Chalabi, Saddam Hussein's most persistent and effective Arab political opponent, was a pariah in this town.

Desk officers in the U.S. government's Middle East bureaucracy would not return Mr. Chalabi's calls when he visited. The CIA was bad-mouthing him to reporters.

It was a grim time for a man who has been an honest, observant and reliable interpreter of Iraq since we met in Beirut 26 years ago. Our friendship survived my departure from the Middle East a few years later; several wars in the region and numerous betrayals of Mr. Chalabi's cause by successive American governments.

Despite his own unrelenting confidence on recent visits here, I felt growing apprehension for this cultivated Iraqi banker, mathematician and revolutionary.

But tomorrow is always another day in the life of an exile politician. On Monday, Mr. Chalabi appeared before the Senate subcommittee on the Middle East and got a sympathetic hearing for his new, detailed paramilitary plan for undermining Saddam's reign of terror.

Mr. Chalabi is suddenly sought after

about low-intensity conflict scenarios.

Republican senators have taken up Mr. Chalabi's years-old campaign to have Saddam declared a war criminal and tried by an international tribunal. Some of these lawmakers speak of mounting that reactivated, united Iraqi opposition.

Mr. Chalabi has been delivered from the hands of the spies, with whom he worked for a few years, and the U.S. government's Arabists ideologues (who disdain his willingness to work with Iraq's Kurds and other minorities) into the hands of American politicians. My reaction wavers between "Hallelujah" and "Oh no."

On balance the arrival of the politicians, however late, is good for Mr. Chalabi. They will open up a debate about change in Iraq that Washington's area experts, bureaucrats and military commanders always struggle to shut off.

What changed Mr. Chalabi's fortunes? Nothing new that he has done.

Instead, the Clinton administration bungled into yet another confrontation with Saddam. It was forced to acknowledge at the end of the day that was

incapable of overthrowing the Iraqi dictator with anything less than a replay of Desert Storm, which this administration is incapable of mounting. That left a political vacuum into which Treat Loti and others have rushed.

Kofi Annan's stomach-turning praise of Saddam also energized Mr. Loti, Jesse Helms and others who detest Saddam but who hate the United Nations. The Iraqi opposition has suddenly become a national issue in American politics, with the Republicans eager to showcase Bill Clinton's mistakes and neglect of Iraq — an all too easy task.

Long cowed into silence by memories of the warm embrace that George Bush and Bob Dole, among others, fastened on Saddam before Kuwait, the Republican Party now has standing to ask Who Lost Iraq (This Time) and to credibly blame it on President Clinton and Vice President Al Gore. Time and fresh incompetence may not heal all wounds in Washington, but they do grant amnesia, and perhaps amnesty, to all political parties.

The Republicans will be tempted to use Mr. Chalabi and his organization, the Iraqi National Congress, as a club to swing at Mr. Clinton. The Democrats will respond by protecting themselves at Mr. Chalabi's expense, repeating

old, discredited smears about banking troubles in Jordan, as Charles Robb did at Monday's Senate hearing.

Mr. Robb's question had the earmarks of a plant from the White House or the CIA. Mr. Chalabi's recent troubles in Washington stem from his decision to go public in interviews with The Washington Post and ABC Television last summer revealing the agency's bungling in Iraq in 1995 and 1996.

The agency's director, George Tenet, and his aides still resist serious internal or outside inquiry into what went wrong in Iraq. As long as they do, take administration claims that it will finally get tough with Saddam as more, self-serving fluff from masters of the genre.

Working to undermine Saddam's rule is a long, difficult — and worthy — enterprise. The spies and government experts of the Bush and Clinton eras are busy telling you that since they couldn't do it, it can't be done; the opposition is too weak and divided; the victim is to blame.

American politicians of both parties should sign on to this task of opposing Saddam with a determination to see it through, and to show how wrong the experts can be.

The Washington Post.

Now Is a Good Time to Revisit Saddam's Nuclear Capability

By Paul Leventhal and Steven Dolley

WASHINGTON — The

record of misjudging Iraq's nuclear intentions and missing evidence of its weapons program at every turn.

The cease-fire resolution was soon crafted to provide for a sharing of responsibilities between the IAEA and Uniscom in the nuclear sphere, while giving Uniscom exclusive control over the search for Saddam's chemical and biological weapons and missiles.

The results of this relationship — including strong differences between the agencies on how to assess the current nuclear threat and how to deal with it — provide important lessons on pitfalls to avoid at this critical juncture.

Last June, the outgoing Uniscom director, Rolf Ekeus, expressed concern that the nuclear weapon components manufactured by Iraq before the Gulf War had never been found.

"We doubt they have been destroyed, but we are searching," he said at the Carnegie Institute for Peace.

ment of nuclear equipment and materials continues.

It would be a big mistake to assume that the absence of evidence of an Iraqi nuclear weapons program is evidence of such a program's absence.

In 1990, Saddam successfully engaged in a grand deception to deflect the world's attention from his nuclear weapons program by drawing attention to his chemical weapons threat. After the Gulf War, a vast Iraqi Manhattan Project was unearthed, and most of it was destroyed.

Today the danger is that Saddam is trying to divert attention from a small but deadly remnant of that program — a well-hidden unit that could use retained blueprints and components to turn out weapons made with smuggled fissile material on short order.

There is an opportunity to use the establishment of the new Special Group to reinvigorate the UN's flagging nuclear investigation. The choice of UN disarmament undersecretary Jayantha Dhanapala to head up

the Special Group is a good one. The Sri Lankan diplomat is highly respected and trusted in nuclear nonproliferation and arms control circles.

Mr. Dhanapala is capable of promoting cooperation between the IAEA and Uniscom if this were made a part of his mandate. He could begin — both to end insurgency bickering and to "test" Iraqi intentions — by insisting that Iraq produce four crucial reports, long promised but never delivered, on unaccounted-for design drawings, fabricated component procurement activities and government planning for nuclear weapons.

If Iraq continues to stonewall, despite his request, it would become clear that the UN must press forward with intrusive nuclear inspections as long as Saddam remains in power.

Mr. Leventhal is president and Mr. Dolley is research director of the Nuclear Control Institute. They contributed this comment to the International Herald Tribune.

America's Elite Prospects, but What About the Rest?

By Robert Kuttner

WASHINGTON — Conservative politicians and intellectuals keep having trouble reconciling their story line with the facts. Consider two favorite whipping boys lately in the news:

— America's lousy schools and America's dismal savings rates.

The recently released Third International Mathematics and Science Study, comparing the performance of U.S. kids with counterparts overseas, seemingly provides new ammunition for the right. American fourth graders score about average in the industrial world, but by 12th grade U.S. students rank near the bottom.

This result led Chester Finn, a former Reagan administration education official and school voucher advocate, to proclaim on the Wall Street Journal editorial page: "The public school system as we know it cannot fix

evil empire, whose statist economy collapsed, whose real living standards are perhaps one-fourth of America's. But even destitute, corrupt Russia manages to find the money and the teachers to instruct its children adequately in math and science.

Then there is the issue of savings rates. For two decades, conservative economists have been contending that the U.S. economy was succumbing competitively to countries with higher savings rates, such as Japan, Korea and most of Europe. We did not save enough so we could not invest enough, the story went.

That would of course be socialist democratic Sweden, regularly denounced by the same Wall Street Journal editorial page for its unaffordable and inefficient social outlays. Other top performers included such malefactors as Denmark, Norway and the Netherlands.

Guess who else beat us Americans smartly in math and physics? Russia! That would be the

same social benefits as the European elite.

We need to educate all Americans, not for "competitive ness" but out of concern for the kind of society we want to be. If we were serious about educating the bottom half we would not turn to vouchers and further splinter the system. We would equalize school funding, put more money into classroom teaching and make life easier for parents — like the nations that outscored us.

By the same token, our overall rate of savings is less important than the question of who amasses savings and why. Today, thanks to the soaring stock market and relatively stagnant wages, personal financial wealth is more highly concentrated than at any time since the 1920s. The working poor do not save much because they barely make ends meet.

Yet fiscal conservatives of both parties (seconded by many mainstream economists) think we should hold on to the projected government budget surpluses — rather than invest in the social outlays like education, training and child development that might allow the bottom half to pull itself up.

The writer, co-editor of the American Prospect quarterly, contributed this comment to The Washington Post.

LETTERS TO THE EDITOR

Making Math Class Relevant

By Howard Gardner

CAMBRIDGE, Massachusetts — The dismal performances of American 12th graders on the Third International Mathematics and Science Study is naturally disheartening. Even in a pool that lacked the usual high-scoring Asian countries, American students managed to score near the bottom.

But we should resist the tendency to focus on increasing our students' scores on these tests.

These tests do not measure whether students can think scientifically or mathematically. They just measure a kind of lowest common denominator of facts and skills. So getting students to do well on them does not necessarily mean much in the real world. It does not even mean that students will have successful careers in science and technology.

Half a dozen years ago, when our economy (as well as our test scores) was languishing, it was easy to blame our poor schools and to push for better results from our students. Now America stands at the top of the world economically, but our students are still scoring at the bottom on international math and science tests.

Since high scores on these tests obviously are not crucial to our economic success, we need to decide what kinds of tests matter in helping form the kind of citizen we want to have. Standardized tests should find

about a scientific issue. We could drill our students with problem sets and raise their test scores but still be left with a population that remains scientifically and mathematically challenged.

After all, students should be able to apply scientific and mathematical concepts to the world around them. As adults, they will need to know how to decide what theories best describe a phenomenon. Students learn these concepts only by designing and carrying out their own experiments.

Tests should measure a student's scientific ability by presenting a problem,

OPINION/LETTERS

Between Yawns, the Shock of History

By Amy E. Schwartz

BORDEAUX — Reconstructing history takes effort, and no one knows it better this winter than the sleepy, resentful denizens of an echoing stone courtroom here.

The presiding judge, in red satin and ermine robes, sighs as he adjusts yet another document on the overhead projector; the magistrate overseeing the spectators in the "video room" yawns and fidgets. They are deep into the fifth month of what will probably be France's last trial of an accused war criminal from World War II — a trial that was supposed to take, at the most, six weeks.

But the defendant, Maurice Papon, the 87-year-old former Vichy official, has not stonewalled or professed amnesia, like others tried and convicted in recent years of crimes against humanity during the Nazi occupation of France. Instead, he has defended himself zestfully, sarcastically and in great detail, forcing the participants deeper into the muck of French memories about Vichy.

The result is a trial shot on easy moral moments but long on something just as important — not just here but in the more spectacular tribunals weighing crimes against humanity in South Africa or The Hague.

It is the slow, uphill struggle of a roomful of people trying to piece together the past, and then, as if that weren't difficult enough, seeking to grapple with the question of real personal and criminal responsibility.

Mr. Papon, who served as secretary-general of the Gironde region under the collaborationist Vichy regime and went on to a prominent career in postwar French politics, is making a classic, and classically infuriating, defense: Yes, he was there, he signed the papers, but he really all the time he was striving to slow things down. German superiors gave all the orders, he says; an officer below him, a working enforcer, did the nasty stuff and signed most of the really incriminating papers. Why didn't he resign, refuse?

Because someone else in the job might have been worse. His signature is on deportation orders for nearly 1,600 Jews who ended up in extermination camps? Yes, but those deportations repre-

The Papon trial has few easy moral moments.

orphaned refugees from Bihar who washed up in Mr. Papon's jurisdiction and were spared deportation, in an order bearing his signature, on grounds that they had had a Catholic grandfather and were to be considered Catholic.

Yes, says the head prosecutor, but here is another order, also signed by the defendant, in which he forwards the orphans' religious documents to the archbishop of the diocese, to see whether they are faked. Was this the action of a man seeking to prevent deportations whenever possible?

As the weeks drag on, it amounts to a sort of endurance contest, and not everybody involved has passed the test. Of the 30 or so lawyers representing the various "civil parties" to the prosecution — historians, organizations, deportees' families — a fair number have stopped attending altogether. Others stay only to posture, asking the defendant long, feather-fluffing questions to which there are no obvious answers.

Outside the courtroom, there have been attacks on the trial and demands that it be halted, both from the Gaullist right (where politicians squirm at the implications of Mr. Papon's repeated argument that he is being offered as a scapegoat for the entire postwar government) and from the prosecution.

At one point, the well-known French Nazi hunter Serge Klarsfeld and his son Arno, one of the prosecuting lawyers, called for the removal of the presiding judge.

Because someone else in the job might have been worse. His signature is on deportation orders for nearly 1,600 Jews who ended up in extermination camps? Yes,

but those deportations repre-

sented his failures — "the saddest days of my life."

This task has proved effective not just in irritating spectators and politicians — who bear in it the uncomfortable echo of the rationale for French behavior during Vichy — but also in forcing the attention of the trial onto smaller details of action and omission.

His lawyers offer evidence concerning a group of three

to grasping an ugly past — the shock of immediacy, of history made real.

"There's nothing like looking at a document to make a gap of 50 years just disappear," says an expert on war crimes trials, Diane Orentlicher, a law professor at American University.

It happens in Bordeaux one day when Judge Castagnède, in response to testimony, puts on the overhead projector a document that details the deportation from a hospital of its last few patients — one of whom, it turned out, was too sick to be moved. And how was this determined? Judge Castagnède, his voice trembling slightly, puzzles out the handwritten annotation next to the prisoner's name: "Helpless — must be dragged."

The court momentarily goes quiet. Then the judge takes up the next document and the argument grinds on. This isn't the banality of evil, just the dogged boredom of hard work.

The Washington Post

The Bookie Always Wins in the End

By Samuel Abt

KUERNE, Belgium — Just inside the entrance to the parking lot, the bookmaker set up shop. A small wooden table, a sheaf of white betting slips bound by a thick rubber band, an easel holding two pieces of white wallboard with the names of the racers and their odds. Standing next to the table with a thick pencil in his hand, the bookmaker was ready for business.

Isn't betting on bicycle races illegal? a foreigner asked.

Carl Deprez raised his thick eyebrows fractionally. He looked around, nodded his head at the policemen waving team cars through to the staging area of the Kuurne-Brussels-Kuurne race. If it were illegal, would even Belgian policemen fail to notice?

"Perfectly legal," he said. "An honorable profession." But a dying one. "Twenty-five years ago, there were maybe 30 of us. Now we're down to six or seven. There's not much money to be made."

The court momentarily goes quiet. Then the judge takes up the next document and the argument grinds on. This isn't the banality of evil, just the dogged boredom of hard work.

The Washington Post

nobody has heard of who belong to teams equally obscure.

The box into which he put the bets was beginning to fill. Some riders from the Bressana team from Italy poked their heads over the railing to see what their chances were. (None.) On a good day, Deprez does several thousand francs' worth of business, not really enough to support any bookmaker who is not doing it as a hobby. People just don't bet the way they used to, he said, but he could not figure out why.

The foreigner decided to take a flutter. "Moncassin to win," he said. "100 francs." This amounted to insider trading since the foreigner had talked with Frederic Moncassin, a French rider, and heard him say he was in fine condition and expecting a good result. Moncassin knew the race, too, having won it in 1995.

"Moncassin to win," Deprez repeated, writing out a receipt.

"How do I collect when he wins?" "I'll be around at the finish," he said. "You can find me. If not, you've got my phone number on the ticket. Or I can just put it on your account." He laughed heartily, as if he knew something.

Moncassin finished 22d.

International Herald Tribune

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old, discredited smears about Monday's Senate hearing at Charles R. Robb's questioning had the CIA. Mr. Chalabi's interview, last summer, revealing his bungling in Iraq, and 1996.

The agency's director, George Tenet, and his aides still resist serving in Iraq. As long as they do, the agency is weak and divided.

American politicians should sign on to this task of exposing Saddam with a determination we experts can be.

The Washington Post

uclear Capability

equipment and uses. big mistake to absence of ev- Iraqi nuclear arm's absence. Adam success in a grand design to allow the world's his nuclear program — a program that could give us a chance to draw on its chemical weapons.

After the Gulf War, Iraq's Manhattan Project neared, and destroyed. The longer it is that we have to wait for a nuclear inspection, the more likely it is that we will be.

Mr. Leventhal is pres- and Mr. Dolley is exec- tive editor of the Nuclear Co- munitate. Their comments are to the Inter- neral Herald Tribune.

bout the Rest?

some social benefits & reconcile our many far more per- sonal needs, rather than if our representatives and friends, other na- tionalities, are saving rates do norms grow, if that you do casting the tax- class, which and welcome pay (which can per- for most kids & child science implications, a few million to allow the what will be).

y is the most in the ad- that readily re- economic growth, economic elite, who run the who run the the well-off, the well-off with the best education, fast-food clerks, janitors, drivers and drivers are for them Euro- who get the

GES: 100,75 AND 50 YEARS AGO

for the assistance of surveying booth is reported an unprecedented increase in the number of women prisoners of the Federal Government. The new facility, which is of especial concern

in Mr. Oliver's Neutral Finances, has been agreed to negotiate a broad-based peace agreement between the Social Democrats and the Christian Democrats. The Social Democrats do not reject the recommendation addi-

tion, the basis of our negotiations, peace-loving people oppose any military alliance and want to keep the union of the British Isles.

Now it is agree. She has to complicate the number of and the brutal liquor trade

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1948: Neutral Finland

TribTech

Formula One Team Revs Up the Computers to Speed Up Race Cars

By Brad Spurgeon
International Herald Tribune

MAGNY-COURS, France — In a sport where the technical regulations change yearly and the cars develop almost daily, there is little mystery why technology has taken a front seat in the manufacture of race cars.

"The difference between the big teams and the average-sized ones is speed — to develop the car faster, communicate faster, make decisions faster," said Alain Prost, a four-time world drivers' champion who retired in 1993 and is now the owner of his own Formula One team.

This month, Prost Grand Prix is moving from a 10-year-old factory here, 250 kilometers (155 miles) south of Paris, to a new, state-of-the-art plant in Guyancourt, just outside the capital.

The move will enable the team to work with high-tech tools built for the needs of a 1998 car, such as computer-aided metal casting, blasting ovens to mold carbon-fiber composites and computers to design, build and test all the parts. It will also provide faster communications with Prost's Paris-based high-tech partners, including Alcatel Alsthom and Dassault Systemes SA, and its engine maker, PSA Peugeot Citroen SA.

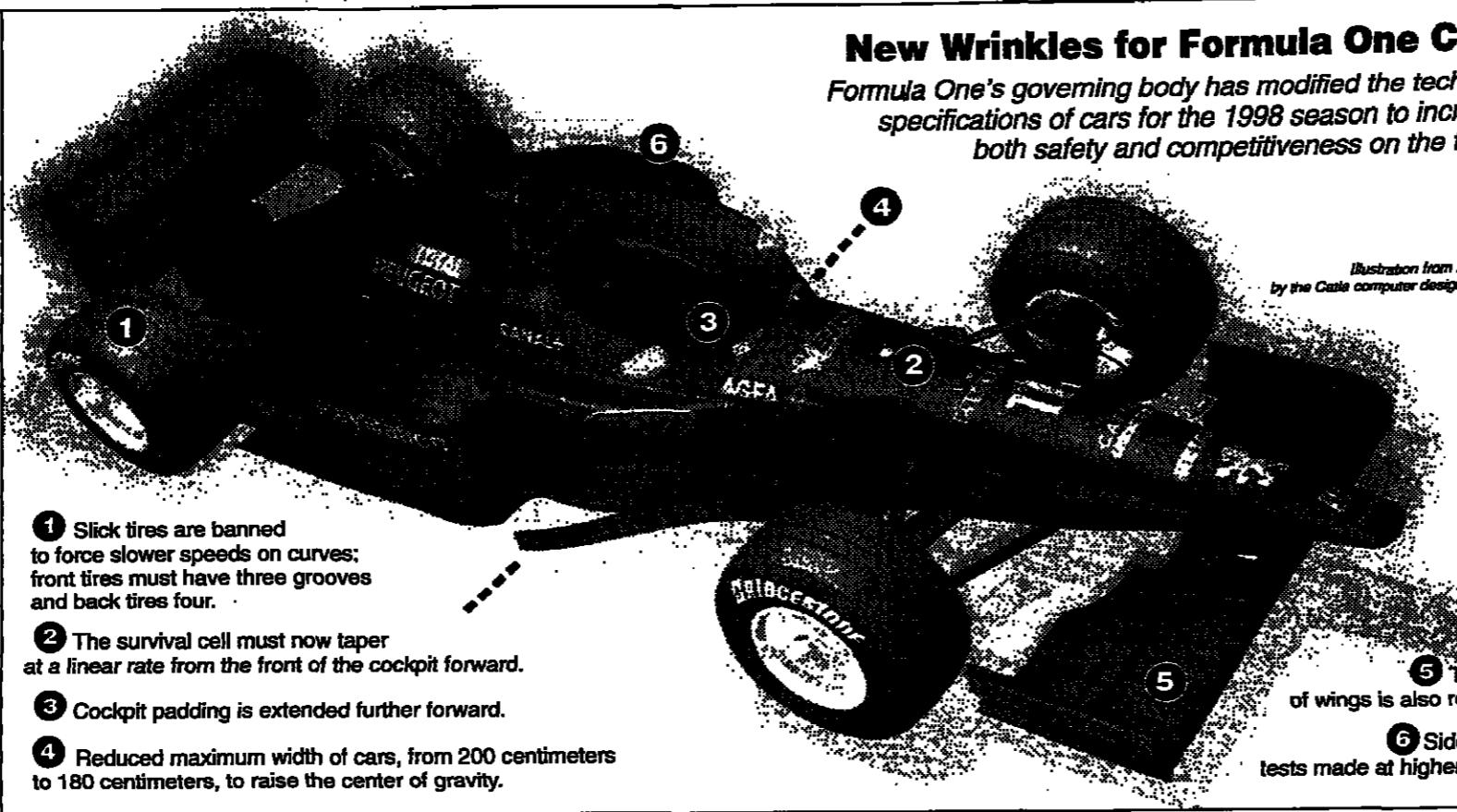
In Formula One racing, more than 20 cars battle out a sprint race on circuits averaging five kilometers in length and with varying conditions: straightaways, hairpin corners and wide bends, each of which makes a different demand on an engine and chassis.

The technological challenge is enormous. The 11 teams of Formula One construct their own cars to technical regulations devised by FIA, the Paris-based racing federation. The changes FIA is requiring for this season, which begins Sunday in Melbourne, have been called the most drastic in 15 years.

When engine technicians started using computers at the track in the 1980s, Mr. Prost said, "We looked at them like propler heads. We had absolutely no confidence in them."

Today, computers save time in every aspect of designing, building and setting up a car's balance and mechanical configuration.

To counter criticism that most passing is done not on the track but during pit stops, FIA is banning slick tires this year, which should force cars to brake earlier at corners and thus facilitate passing.



New Wrinkles for Formula One Cars

Formula One's governing body has modified the technical specifications of cars for the 1998 season to increase both safety and competitiveness on the track.

Illustration from rendering by the Catia computer design system.

International Herald Tribune

Tires now must have grooves (three treads going all the way around the front tires and four for the back tires) to reduce their grip and force slower turns.

As slicks have been used since 1971, Goodyear Tire & Rubber Co. and Bridgestone Corp. face a huge technical challenge to redesign their racing tires — especially as the new rules stipulate that the grooves must still be present at the end of the race on all tires used.

Another way FIA plans to slow cars in corners is to decrease use of the aerodynamic effect, known in the industry as downforce, that presses the car down to the track and allows it to maintain speed in cornering. The maximum width of the car is being reduced to 180 centimeters from 200 centimeters, raising the center of gravity and limiting the size of wings attached to the vehicle.

Engineers have spent the winter seeking ways to attach new kinds of wings and other aerodynamic aids to recover the estimated 15 percent loss in downforce. This work is done mostly in a team's wind tunnel, not on the track. Some teams use the wind tunnels of research centers; others, like Prost, have their own.

To save time fulfilling the FIA rules, which cover every detail of a car, Prost turned to the design program Computer-Aided Three-Dimensional Interactive Application, or Catia.

Developed by Dassault Systemes, it was used for the first "virtually" designed airliner, Boeing Co.'s 777 jet.

Several other airplane builders, as well as carmakers and developers of trains, including the TGV, the French high-speed train, use it now. It is also used by many other Formula One teams, including Sauber, Ferrari and Arrows, and for the engines of Mercedes AG, Renault, Peugeot and Cosworth Engineering.

Other teams use design technology from such Dassault Systemes rivals as Computervision Corp. and SDRC Inc.

Before any of the 3,000 parts of a Formula One car is built, Catia enables the designer to create the car in three dimensions on a screen, fit it together, measure its weight and spot likely problems. The program also allows the designer to move through the on-screen mock-up and see an image, interior or exterior, of any component.

Because of the efficiency of the software, a new longitudinally mounted gearbox for the Prost car was made from scratch in less than four months last summer, rather than the eight months that Prost's head designer, Loïc Bigois, said it would have taken in the past.

The creation of the new factory has been overseen by Bernard Dudot, Prost's technical director and the engineer who built the Renault V-10 engine that has

won the last six Formula One constructors' titles. When Mr. Prost bought the team a year ago, its Magny-Cours factory housed a staff of 68 in 3,600 square meters (38,750 square feet). The Guyancourt factory has 7,300 square meters for what is now a 150-person work force.

There will be 20 Catia workstations in Guyancourt, compared with 10 here, all operating on Sun Microsystems Inc. computers and servers. While Prost pays for the licenses to use the system, Dassault Systemes is also providing manpower and working closely with the team. Neither side would disclose the financial details of the partnership.

The factory will be linked through high-tech Integrated Services Digital Network, or ISDN, lines to the teams at Grand Prix racetracks worldwide to allow engineers to use Alcatel's video-conferencing to troubleshoot.

It costs so much to test a car on the

track that most testing is done on team-designed computer programs.

But the creation and application of technology is secondary to the main purpose of racing, Mr. Dudot said.

"There's only one objective," he said. "That is to win. If you win with high technology, you use high technology. If you win with wheelbarrows, we'll use wheelbarrows. Technology's not the objective."

Ironically, one of the purposes of FIA's changing regulations is to prevent computers from taking over.

Midseason last year, three years after high-tech driving aids were banned, McLaren-Mercedes created a computerized accelerator that the racing body approved before realizing that it could overrule a driver and thus reduce skidding.

Rather than allowing the driver to directly control the engine's throttle valves, the team's accelerator used an onboard computer to calculate how much torque could be used on the given section of the track. It then limited the opening of the valve, making the best use of the available power of the engine and helping to prevent skidding.

After the season, FIA banned the system, saying that it ran counter to the rules barring computer-aided driving.

"Instead of being a sport of men," said Francesco Longanesi, a spokesman, "it was becoming a sport of computer wizards. We're not against technology — far from it. But the technology must serve the man, and not the other way around."

Removing control from the driver not only destroys the sport side of things, he said, it also increases the risk of a driver's losing command of the car to a computer and having an accident.

But FIA encourages use of technology to develop the cars, and this has become so costly and highly perfected, Mr. Dudot said, that teams no longer build entire cars on their own. Instead, they subcontract certain parts, such as the carbon brakes and, particularly, the engine.

If technology has killed jobs in some industries, in Formula One it has created ménages, Mr. Dudot said.

"We're seeing jobs here that didn't even exist five or 10 years ago — new computer-related jobs, electronic transmission, data processing, a very high level of metallurgy, and the creation of composite materials that are capable of absorbing enormous shocks," he said.

High-Tech Firms Profit From Racetrack Innovations

International Herald Tribune

PARIS — It is not just the race car that benefits from Formula One's technological advancements. The companies working on the car's development are using their experience in racing to develop their own commercial products:

• Dassault Systemes SA brought aeronautical know-how to the sport through its Catia design software and wants to transfer Formula One advances back to aeronautics, according to Jean-Marc Galea, the French company's manager for the Prost Grand Prix project.

"Formula One constructs small, compact and very light composite parts that no one knows how to do in aeronautical design," Mr. Galea said, referring to the molded carbon fibers in race car's body. "The cockpit of a race car is very small and has a very complex shape. Even the nose is very pointed and made with composite materials. These kinds of parts don't exist in aeronautics."

• Commercial car manufacturers, according to Bernard Dudot, formerly director of Renault Sport, cannot directly apply their race engine technology to an assembly-line engine. One is built for a life of 400 kilometers at extremely high speed, while the other is built to last a couple of hundred thousand kilometers.

But he said the knowledge the engineers acquire creating a racing engine in the highly competitive environment helps in resolving problems in the assembly lines for commercial engines.

"For an engineer to have experiences that are so specific yet peripheral is extremely enriching, extremely strong," he said. "It adds a great deal of value to the knowledge of a research department. And that translates into quality in the everyday car."

• Alcatel Alsthom provides the Prost team with the radio communication between the pits and the drivers, Olivier Panis and Jarno Trulli.



Mr. Panis, left, and a technician at track.

Gilles Thevenet, Alcatel's manager for the Prost project, said the company had developed technology for the race team that can be transferred directly to a commercial product.

The difficulties of radio communication in Formula One include, in addition to the constraints of the car, the very lively electromagnetic fields at the track, with television signals, all the teams' radios and other cellular devices used simultaneously.

For Prost, Alcatel started with a noise-blocking system it uses in an everyday car phone that a driver does not have to hold. The Handsfree Digital Car Kit. The system digitally differentiates the sound frequencies of the voice, the engine and other sources of noise, and then divides the components, canceling out all but the voice.

"In testing it in the highly constrained, vibrating and loud environment of the Formula One car," Mr. Thevenet said, "we figured out certain anomalies that we found in the everyday car but couldn't understand."

Alcatel will use those findings in a future version of the car phone, he said.

— BRAD SPURGEON

TECHNOLOGY INDEX

A glance at technology stock indexes around the world

	Tuesday close	% change previous week	% change year to date
North America			
Pacific Stock Exchange	331.05	-13.94	
Technology			
Standard & Poor's	-810.30	+15.77	
Technology Composite			
Europe			
Morgan Stanley	507.24	+31.68	
Eurotec			
Asia			
Topix Electric	1749.63	+6.41	
Source: Morgan Stanley Bloomberg News			

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.iht.com>. Articles include:

- High-Tech Bidding for Foreign Workers Feb. 27 www.internetbookings.com
- AMD Aims to Put Pressures on Intel By Setting Up Chip Deal With IBM Feb. 28 - March 1
- Apple Plans To Scrap Its Newton Line Feb. 28 - March 1
- A Tale of 2 Stocks: Lucent Keeps Flying High as Smaller Rival Clensa Suffers Feb. 28 - March 1
- Learning to Live With Microsoft: The Tale of Spyglass Inc. March 3
- In Restructure, Olivetti Forges Ties With Wan March 3
- Gates Goes to Washington March 4

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International Herald Tribune

Rather than catch up...

I. H. T. 1998

INTERNATIONAL

Fred Friendly, 82, Dies; Champion of TV News

By Eric Pace
New York Times Service

NEW YORK — Fred Friendly, the former CBS News executive and journalism professor who was an influential figure in the growth and evolution of news coverage on television, died in New York City on Tuesday after a series of strokes. He was 82 years old.

As a CBS News producer working with Edward R. Murrow, Mr. Friendly pioneered news-documentary techniques in commercial television's early years. And as president of CBS News from 1964 to 1966, he clashed with other executives in his efforts to get more news on the air.

His often-caustic criticisms of what he contended was the television networks' lack of commitment to quality news coverage continued down through the years.

As a professor at Columbia University and a writer on television affairs later, he argued in favor of fairness and integrity in electronic news coverage. As broadcast consultant to the Ford Foundation on television, he strove to improve news coverage by public-television stations.

Mr. Friendly's television productions, and his own professional life, were full of strife and action.

He was a tall man with a strong jaw and a high-keyed purposeful air about him, which the poet Carl Sandburg said, made him "look as if he had just got off a foam-flecked horse."

His manner — his restless intellect, curiosity, and desire to stimulate debate — made it difficult for Mr. Friendly not to dominate almost any gathering. His wife, Ruth, described that force of personality some years ago when, speaking at a ceremony where Mr. Friendly and she were receiving another of their many awards, she said, "We all come under Fred's gravitational pull."

Don Hewitt, the longtime executive producer of the CBS television news program "60 Minutes," said, "Fred Friendly and Ed Murrow's 'See It Now' was the lodestar we all steered by. What I learned from Fred and then made the trademark of '60 Minutes' was that it's your ear more than your eye that keeps you at the television set, that if you pay attention to the words, and your editors are as good as Friendly's were, the pictures will follow on naturally."

Mr. Friendly's final battle as a commercial television executive came, as he saw it, over the issue of CBS's responsibility to carry live telecasts of important government proceedings. The

showdown came in February 1966, when one of his superiors decided that the network should broadcast a rerun of a Lucille Ball comedy program instead of live coverage of a key Senate committee hearing on Vietnam.

"It was not a matter of deciding between two broadcasts," Mr. Friendly wrote later, "but a choice between interrupting the morning run of the profit machine — whose only admitted function was to purvey six one-minute commercials every half-hour — or electing to make the audience privy to an event of overriding importance taking place in a Senate hearing room at that very moment."

Mr. Friendly wrote a memo to his superior, John Schneider, a CBS group vice president, arguing that broadcasting the hearings, at which George Kennan, the expert on Soviet and Communist affairs, was to testify, was "a matter of conscience for this company, a public concern in the most basic sense."

But, as Mr. Friendly reported in his 1967 book, "Due to Circumstances Beyond Our Control," Mr. Schneider told him the hearings would not be broadcast, "and said that housewives weren't much interested in Vietnam."

It was as a partner of Mr. Murrow, the CBS star correspondent and commentator who died in 1965, that Mr. Friendly



Fred Friendly, former CBS News president, who often criticized what he said was the TV networks' lack of commitment to quality news coverage.

achieved national influence and fame. He was a little-known radio executive in 1948 when he met Mr. Murrow and proposed making an album of recordings of world leaders and other newsworthy people speaking in the recent past.

Mr. Murrow liked the idea and col-

laborated with him in bringing out the album, "I Can Hear It Now," which was released at Thanksgiving 1949 and was a huge success.

In the years that followed, the two men worked together on "Hear It Now," a CBS radio program, and on "See It Now," its television sequel.

GATES: America's 'Icon of Technology' Takes Capital by Storm

Continued from Page 1

of business," said James Barksdale, the president and chief executive of Netscape Communications Corp., Microsoft's chief critic and its largest competitor on the Internet landscape.

"How many of you use PCs?" Mr. Barksdale said, asking the spectators to raise their hands. About three-quarters of the room did. "Now how many of you have a computer with Internet Explorer?" he asked, referring to Microsoft's product. Almost the same number of hands flew up again.

He said the fact that hardly anyone in the room used a personal computer without Microsoft's operating system demonstrated "that is a monopoly."

In another kind of gotcha, Mr. Hatch and Senator Mike DeWine, Republican of Ohio, conducted their own expeditions. They had their staffs call up sales repre-

sentatives for Dell Computer Corp. In each case, representatives gave the impression they could not offer Netscape.

"I'm not quite sure," Mr. DeWine

quoted one representative as saying, "it is something to do with Microsoft."

Senator Herb Kohl, Democrat of Wisconsin, asked why Microsoft's percentage of sales to profits was so much higher than those of businesses in other industries. His not-so-subtle suggestion was that Mr. Gates was a monopolist looking to safeguard his treasure chest.

But it was Mr. Hatch, whose state is home to another Microsoft competitor, Novell Inc., who demanded a "yes" or "no" from Mr. Gates on his company's interference with Netscape's ability to promote or market itself.

"You are not giving me an answer," Mr. Hatch said bluntly. In the end, Mr. Gates delivered a nuanced answer that did not fully satisfy the senator.

Relieved, Mr. Gates walked up to a cluster of microphones and delivered a few final words to reporters, no more questions allowed.

"I enjoyed this opportunity," he said. Then he left, walking into a crowd of cheering high-school students who spied him on his way out.

■ Competition Thrives?

Steven Pearlstein and Elizabeth Corcoran of The Washington Post reported:

The hearing before the Senate Judiciary Committee highlighted the paradox of the software industry. Although Microsoft dominates the market for PC software — and may have a monopoly over a corner of it — prices are falling, innovation is brisk and there are legions of freshly minted millionaires.

To hear it from Mr. Gates, the fears about the evils of monopoly simply do not apply in the new knowledge-based economy, where "no company owns the factory for ideas."

Mr. Gates described his own success as a model for those who would topple him from industry leadership. Just as he challenged International Business Machines Corp.'s dominance of the computer industry when he was a 19-year-old college student with a new set of software codes, Microsoft's competitors can break its grip on the industry if they deliver better products and lower prices, he said.

HARASS: Court Clarifies Sex Abuse Law

Continued from Page 1

Steven Shapiro of the American Civil Liberties Union agreed: "It clearly states that no one should have to suffer sexual harassment when going to work in the morning and it shouldn't matter if you are a man or woman, gay or straight."

Some employer groups also praised the decision, which cleared up a conflict among lower courts over who can sue for discrimination in the workplace.

Ann Elizabeth Reesman, general counsel for the Equal Employment Advisory Council, observed that the court also made it clear that all conduct of a sexual nature was not necessarily going to violate Title VII, but only conduct that was because of sex and rose to the level of severity or pervasiveness that changes the conditions of employment.

■ Rape Threat Alleged

The man who filed suit, Joseph Oncale, a Louisiana oil rig worker employed in 1991 by Sundown Offshore Services Inc., alleged that he was sexually assaulted, battered, touched and threatened with rape by his direct supervisor and another supervisor, Reuters reported.

The lawsuit was dismissed on appeal, but the Supreme Court ruling Wednesday reinstated it.

Justice Scalia wrote that Title VII prohibits discrimination because of sex in the "terms" or "conditions" of employment. He said that the law prohibiting harassment on the basis of sex requires "neither sexual nor androgyny in the workplace; it forbids only behavior so objectively offensive as to alter the 'conditions' of the victims' employment."

Justice Scalia emphasized, however, that in same-sex claims, like other harassment cases, there must be careful consideration of the social context in which particular behavior occurs and how it is viewed by the target.

"A professional football player's working environment is not severely or pervasively abusive, for example, if the coach smacks him on the buttocks as he heads onto the field — even if the same behavior would reasonably be experienced as abusive by the coach's secretary, male or female, back at the office."

Justice Scalia said the real impact of behavior often depends on a "constellation of surrounding circumstances, expectations, and relationships that cannot be captured by a simple recitation of the words used or the physical acts performed."

He said courts would use "common sense" and "appropriate sensitivity" to distinguish between "simple teasing or roughhousing among members of the same sex" or behavior that could be viewed by a reasonable person to be "severely hostile or abusive." The On-

cale lawsuit alleged that a co-worker assisted in one of three attacks by physically restraining him and that the supervisor made sexually harassing remarks.

One supervisor allegedly told Mr. Oncale, "I'm going to get you. You're going to give it to me."

Mr. Oncale said he twice reported the situation to his employer's highest-ranking representative on the job site but that no action was taken to halt or punish it. He then quit. The company, the two supervisors and the co-worker all denied that any harassment took place.

INDIA: Nationalists Backed

Continued from Page 1

In Indian politics, the word secular denotes opposition to politics based on ethnic or religious bias, a charge that opponents have always leveled against the Bharatiya Janata Party.

A further 21 seats were won by an array of splinter parties and independent candidates, and 3 seats are to be filled later, 6 by elections that are not yet completed and 2 on the nomination of the new government.

But in the rapid political maneuvering that has developed in the aftermath of the results, the focus fell on several regional groups that entered the election as "poll allies" of one of the three main power blocs, only to find that the inconclusive result left each of them with the potential to make or break the new government.

Among these groups, the principal player Wednesday appeared to be a group of 12 newly elected legislators belonging to a regional party in Andhra Pradesh, a southern state of 70 million people.

This group, the Telugu Desam Party, was aligned in the election with the United Front, an alliance of 13 regional and leftist parties that formed a minority government in New Delhi from the last election in May 1996 until it collapsed in December.

But after two meetings of the party's politburo in Hyderabad, the Andhra Pradesh capital, the party appeared to be mulling a switch from the United Front to the Bharatiya Janata Party alliance, a move that many Indian politicians said would probably make a BJP government inevitable.

The suspense was set to continue for at least another day, however, after the Telugu Desam leader, Chandrababu Naidu, who is chief minister of Andhra Pradesh, announced that he would fly to New Delhi on Thursday for consultations with other United Front leaders before deciding whether to stick with the front or jump to the nationalists.

MILAN FASHION

Cool Take on Borrowed Plumes

By Suzy Menkes
International Herald Tribune

MILAN — The enchanted garden — all luscious greenery, urns of flowers and spiky palms — seemed familiar. So did the way the models clasped their coats in a lover's embrace as they circled the audience and posed for photographers.

But whatever seed of inspiration Dolce & Gabbana took from John Galliano's ground-breaking shows for Dior, they cultivated it as their own.

In fact, Wednesday's show, held in a tent in the garden of their Milan premises, was an object lesson (Dior take note) in how to make romantic broadsides, cut velvet and work-of-art pieces seem modern by transforming them with technology from rigid period pieces.

"I wanted to use the past but project into the future," said Stefano Gabbana of the quicksilver stretch skirts, worn under flower-painted tunics or saffron kimono coats decorated with wisteria and mimosa.

The designer said that the floral handwork was done at Lake Como and inspired by botanical gardens in his native Palermo, Sicily. Other details included flowers on sturdy high-heel shoes and strappy sandals trimmed like the garden's pond, with seashells. A couple of outfits had brash baroque-goes-rock prints usually associated with Gianni Versace.

Dolce & Gabbana didn't move far from their signature body-hugging silhouette and favorite corsets. In fact some of the show was familiar and all of it repetitive. But because the collection was almost entirely in stretch fabrics, from the skinny, black tailored coats and over-the-knee dresses through those mercury-mirrored materials and elasticized plastics, it had a sexy spin. And the mix of sleek, modern technology with pretty, traditional handcraft gave the show an edge.

But the borrowed plumes of haute couture raise the question of how long fashion can go on feeding off itself, and why ready-to-wear shows, which are supposed to feature off-the-rack styles, are increasingly image-making vehicles of limited-edition clothes.

Sportswear and knits taken to the height of luxury and sophistication was the message at Ferragamo, where Dee Dee Bridgewater sang live on stage to



Dolce & Gabbana's painted coat and silver stretch skirt.

Christopher Moore/Andrew Thomas

power-shouldered 1980s, showing lily-pale models with Botticelli curls and Renaissance colors like bordeaux and old gold. Anyone who remembers those rich fabrics and fragile silhouettes was stunned by Gigli's fall show of short, sharp, zippered coats in somber shades worn over thigh-high skirts. Not to mention turquoise Frida Kahlo eyebrows, ice-cream cornet hairdos and leggings tucked into boots. Was it a wanna-be witty take on 1980s style — Gigli does Claude Montana? Softer coats with stained-glass squares or silver trails on filmy fabric were a faint echo of Gigli's former voice.

Moschino was another house that did not seem true to itself. The bright soccer-ball purse with the first (black) outfit was the last splash of any color but black, gray, white and silver. Why a monochromatic collection when Moschino's image is upbeat and fashion is trying to dump black? There were some new, sportier shapes like track jackets, pantsuits with biker shorts and jogging pants with cargo pockets (merely drawn up as knickers). Long culotte pants were even elegant. But a few jagged asymmetric hems and graffiti letters announcing "dreams" or "dol-

sire" did little to lift the sober show. Lawrence hasn't found a signature style, but he caught a 1990s mode with his fluid skirts in satin and panne velvet, below cinched waist. Worn with fluffy jackets, sheer cardigans and fur tippets, the clothes had the contrasting textures that are the basic ingredients of current style.

When Santo Versace, the late designer's brother and company head, was spotted at the Ruffo Research show of luxurious leather pieces by Antonio Berardi, it fueled the rumor that the hot British designer was about to be signed up. Wouldn't his skinny suede cropped pantsuits and side-split leather dresses with tiny buttons be just right for a Versace runway?

"Why do we need him? We have Donatella!" Versace replied. He added that reports that the company would go public were inaccurate: There would be no considering a flotation until after the inheritance is settled, which would be two years from Gianni Versace's death in July 1997.

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	1997	1998	1999
Current	12.25	12.25	12.25
Germany	12.25	12.25	12.25
Japan	12.25	12.25	12.25
United States	12.25	12.25	12.25
United Kingdom	12.25	12.25	12.25
France	12.25	12.25	12.25
Italy	12.25	12.25	12.25
Spain	12.25	12.25	12.25
Australia	12.25	12.25	12.25
Canada	12.25	12.25	12.25
New Zealand	12.25	12.25	12.25
South Africa	12.25	12.25	12.25
Argentina	12.25</td		

Clarifies Sex Abuse

Norway to Postpone Gas and Oil Projects

Reuters

OSLO — The government said Wednesday it planned to postpone all oil and gas projects by a year in an unprecedented program to dampen booming economic growth.

"There are big dangers that the economy will overheat," Marit Arnstad, the oil and energy minister, told Parliament. She said the delays, designed to cut 5.2 billion kroner (\$687.1 million) from 1998 investments of 66.9 billion kroner, would cool the economy.

The reductions affect a total of 12 oil and gas projects.

The government has decided to delay investments in all fields under consideration by one year to 1999 from 1998," Mrs. Arnstad said. The central bank has forecast gross do-

mestic product growth of 5 percent in 1998.

Norway is the second-largest oil exporter in the world after Saudi Arabia, pumping 3.3 million barrels per day. The delays would have a long-term impact on the development of Norway's reserves and are unrelated to efforts by the Organization of Petroleum Exporting Countries to prop up sagging oil prices.

Mrs. Arnstad said that, without any curbs, projected 1998 investments in the oil and gas sector would surge to 66.9 billion kroner, which is 13.7 billion kroner above the forecast in the 1998 budget.

She said postponements would benefit oil companies, which she said were having to pay record high rig rates and high salaries because of shortages of specialized labor.

The delay would cut 1999 investments by 11.5 billion kroner, Mrs. Arnstad said, adding that investments in projects tended to be higher in the second year after they start.

Mrs. Arnstad said four of the projects — Norsk Hydro A/S's Fram and Grane; Statoil A/S's Gulftak satellites; and Saga Petroleum A/S's Snorre 2 — were so big that they would require parliamentary approval.

Vickers is undergoing a major restructuring to concentrate on jet-engine and weapons manufacturing. It sold its medical division in 1997 and is now planning to sell its Rolls-Royce PLC luxury car business.

After taxes, Vickers posted a loss of £2.2 million, compared with a £56.6 million profit in 1996. Sales were steady at £1.2 billion.

Colin Chandler, chairman and chief executive, said the company had a strong basis for growth. "However, given the extent and the nature of the changes under way, the possibilities for overall growth in 1998 will be constrained while the group adapts to its new structure and the strategy put in train in 1997," he said.

Vickers' shares fell 12 pence, to close at 201 pence.

Mr. Chandler reiterated Vickers' aim to return cash to shareholders and expand the propulsion and defense businesses through acquisitions, using the proceeds of disposals.

(AFX, Reuters, Bloomberg)

Restructuring Takes Toll on Profit at Vickers

Compiled by Our Staff From Dispatches

Russia's Budget Bolsters Hopes for Ruble and Loan

Compiled by Our Staff From Dispatches

BONN — Boris Nemtsov, the first deputy prime minister of Russia, said Wednesday that the passage of the 1998 budget would help prop the ruble and that he expected the International Monetary Fund to give Russia a loan in May.

Speaking in Bonn, Mr. Nemtsov hailed the decision of the Russian Duma, or lower house of Parliament, to approve a budget that will help narrow the federal budget deficit. The budget is the "most realistic" so far, he said, and he expected it to help support the ruble.

The ruble has fallen since October amid turmoil in emerging financial markets. It closed Wednesday at 6.075 rubles, little changed from 6.073 on Tuesday.

The country's improving financial picture will enable the Bank of Russia to lower the refinancing rate — or rate commercial banks charge each other to borrow money — by the end of the year, Mr. Nemtsov said.

The bank last cut the refinancing rate Friday, when it lowered it to 36 percent from 39 percent. It was the second cut in less than a month.

Michel Cambessus, the IMF's managing director, said last month that the agency would extend by one year and increase the scale of Russia's three-year \$9.3 billion loan.

The budget's passage Wednesday marked the end of five months of wrangling. Deputies and the government expected a tough battle during the session Wednesday after the initial attempt to pass the long-overdue budget in the Duma at its fourth

and final reading brought confusion and deadlock on Feb. 20.

But passage came after Gennadi Seleznyov, the speaker of the Duma, cut short a debate on amendments by demanding "I ask you to vote for the budget as a whole."

"The budget is passed, thank you," he said a minute later when big screens showed 252 deputies of the opposition-dominated chamber voted for the draft, slightly more than the 226 needed.

The government had been leaning on the Duma to pass the budget since October, saying it was crucial for maintaining stable economic growth in 1998.

But late last month President Boris Yeltsin said the draft needed serious gap-filling amendments to take account of the Asian financial crisis.

(Bloomberg, Reuters)

Thomson's Profit Tripled Last Year

Reuters

PARIS — Thomson-CSF reported Wednesday a tripling in 1997 profit, giving the defense electronics firm's new chairman a strong card as he negotiates a big company overhaul prior to forgoing European alliances.

Thomson's profit rose to 2.12 billion francs (\$349.3 million) last year from 745 million francs in 1996. Sales rose 5 percent to 38.53 billion francs.

Chairman Denis Ranque is negotiating the entry of Alcatel Alsthom SA, Aerospace and Dassault Industries SA into Thomson-CSF's capital in exchange for certain key assets, which will give Thomson extra firepower.

Under a blueprint adopted by the government last year, Alcatel will transfer its space and military communications activities, while Dassault will chip in with assets of the radar and electronic countermeasures specialist Dassault Electronique SA. Aerospatiale will contribute its satellites.

Thomson is Europe's biggest defense electronics company, in sales terms, and ranks third after Lockheed Martin Corp. and Raytheon Co., but still needs to stay competitive at the world level. Mr. Ranque said that once the domestic restructuring was over, he would look for European partners.

(Reuters, Bloomberg)

EU Examines WorldCom-MCI Deal

Compiled by Our Staff From Dispatches

BRUSSELS — The European Commission said Wednesday it had opened an investigation into WorldCom Corp.'s proposed purchase of MCI Communications Corp. because of concerns about the new company's combined market share in supplies of Internet backbone services.

The commission, which plays the role of competition watchdog for the 15-member European Union, has four months to decide whether to clear the deal. Although both companies are based in the United States, the Commission has the power to vet any mergers that could

harm competition in the EU.

MCI Communications and WorldCom said they were confident their commission would approve their deal, which they expect to be completed on schedule in mid-1998.

The commission said its primary concern is the companies' dominant share of the "backbone" networks over which Internet information travels, but said it could not quantify what share of European Internet traffic the combined company would control.

"The commission might be buying time because the Internet has suddenly become a rather sensitive

issue," said John Clarke, an analyst at Daiwa Europe.

In the United States, at least 40 other companies have the infrastructure to carry Internet traffic, Jim Monroe, an MCI spokesman, said. But in Europe, MCI and WorldCom face 75 percent less competition.

On Wednesday, the commission cleared the \$33 billion merger of Union Bank of Switzerland and Swiss Bank Corp.

(Reuters, Bloomberg)

VEBA to Acquire Rest of Degussa

Bloomberg News

FRANKFURT — VEBA AG said Wednesday that its Huels AG chemicals unit would acquire the specialty chemicals maker Degussa AG, extending the German company's international reach in a stock swap estimated at more than 5 billion Deutsche marks (\$2.75 billion).

VEBA, an electricity supplier also active in oil and telecommunications, paid 2.9 billion DM in May for a 36.4 percent stake in Degussa, and the companies had said they were discussing a merger.

Degussa-Huels AG would have about 25 billion DM in sales, rivaling Imperial Chemical Industries PLC for fifth place among European companies in the specialty chemicals sector, analysts said. Its main products would include paint additives and hydrogen peroxide.

Degussa said the companies must still agree on the values of the companies and exchange ratio for the stocks before the plan can be submitted to shareholders for approval.

The takeover is the latest such deal in the European specialty chemicals industry. Clariant AG of Switzerland bought the specialty chemicals business of Hoechst AG of Germany last year, while VIAG AG's SKW Trostberg AG doubled in size after the German company bought Master Builders Technologies from Sandoz AG of Switzerland.

WORLD STOCK MARKETS

Wednesday, March 4

Prices in local currencies.

Telefers

High Low Close Prev.

Amsterdam AEX Index: 1071.74

Previous: 1070.22

High Low Close Prev.

ASB AMRO 44 45.00 44.70 45.40

Aerojet 24.57 25.00 24.90 24.50

Abell 42.95 41.10 40.80 42.30

AEG 42.00 41.50 41.50 41.50

AEG-BS 42.00 41.50 41.50 41.50

AEG-DS 42.00 41.50 41.50 41.50

AEG-ES 42.00 41.50 41.50 41.50

AEG-NS 42.00 41.50 41.50 41.50

AEG-PS 42.00 41.50 41.50 41.50

AEG-SS 42.00 41.50 41.50 41.50

AEG-WS 42.00 41.50 41.50 41.50

AEG-YS 42.00 41.50 41.50 41.50

Japan Banks Cut Back as Bailout Beckons

Copied by Our Staff From Dispatches

TOKYO — Several Japanese banks said Wednesday they would reduce their work forces and tighten their businesses to qualify for government funding to prop up their weak balance sheets.

To tap into public funds totaling as much as 13 trillion yen (\$103.5 billion), banks need to come up with plans to cut personnel costs, including the number of executives, and reduce the number of their branches.

Dai-Ichi Kangyo Bank Ltd. said Wednesday it would reduce its work force by around 10 percent over the three years beginning April 1. It will also cut its domestic branches by about 10 percent to less than 310 in the same period.

Bank of Tokyo-Mitsubishi Ltd., the world's biggest bank in terms of

assets, said it would cut 1,500 staff and shut about 40 domestic offices in the next three years to qualify for using public funds.

Other Japanese banks, including Sanwa Bank Ltd. and Sakura Bank Ltd., said they would lay off thousands of staff and close branches.

By Wednesday evening, seven of the 18 biggest banks had announced plans to sell preferred shares or bonds to the government to replenish capital depleted through bad-loan write-offs.

Japanese banks are typically heavily staffed and boast large assets, but they bring lower profits than their Western competitors. Tokyo-Mitsubishi alone has more than 18,000 employees.

But analysts were skeptical of the scramble to meet the bailout rules,

saying that the banks should have retrenched in those areas regardless of any government program. The analysts said more drastic measures were needed to restore the banks to financial health.

Kouya Hasegawa of Nikkei Research Center, said Japanese banks were planning to lower wages of employees and branch numbers because they were required to do so under rules set by the committee, rather than through their own initiative.

Analysts say that many of the banks do not need the money and that the government is making them take it mainly to restore public confidence in a financial system rattled by high-profile bankruptcies, falling profits and scandals.

"I think we've gotten into political theater," said Walter Altherr,

an analyst at Jardine Fleming Securities (Asia) Ltd. "In many cases, the banks are going to be receiving taxpayers' money on terms roughly comparable to what they've gotten in the market. And they're doing this solely because the powers that be are forcing the money upon them."

Some lenders are raising their own funds, even as they take government money.

Sanwa Bank Ltd. last month said it would raise 150 billion yen by selling 50 million preferred shares abroad. That was significant because the government will look at such fund-raising efforts to decide how much to charge banks now.

Other banks, including Sumitomo Bank Ltd., have raised capital overseas by selling preferred securities. (Reuters, AFP, Bloomberg)

Japanese Put Their Trust in Home Safes

Reuters

TOKYO — Shaken faith in banks and record-low interest rates in Japan have prompted a run on home safes.

"Demand is so strong right now that all our workers put in at least three hours of overtime every day, and we've had to cancel Saturday vacations as well," said Tsutomu Ishii, a manager at Eiko Yamada, one of Japan's largest makers of safes. "In fact, our machines are pushed right to the limit — we simply can't make any more."

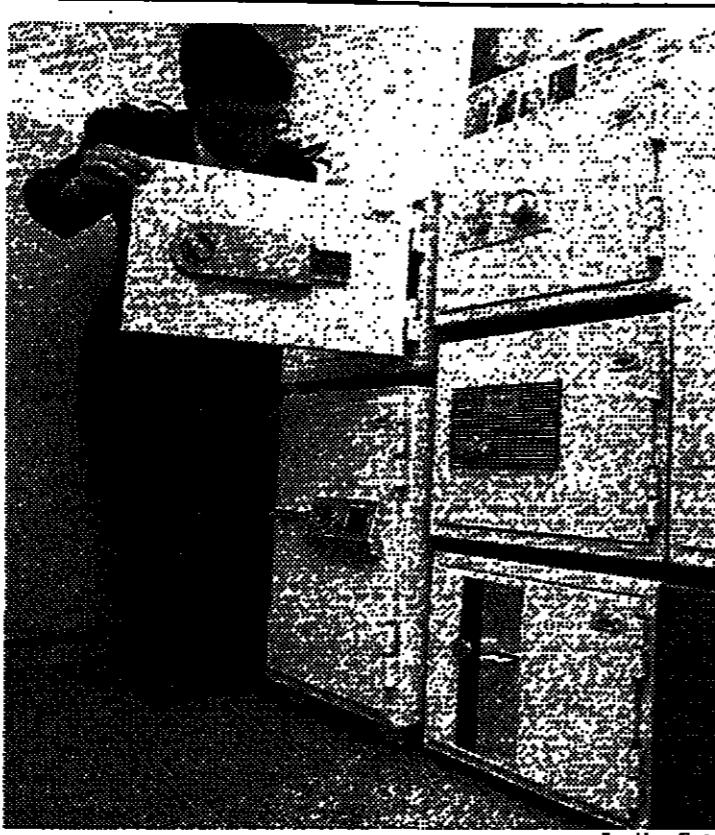
A fresh warning bell sounded for Japan's banking industry Monday, when Fuji Bank Ltd., one of the nation's largest, had its long-term ratings cut to one grade above junk status by a U.S. ratings agency, Standard & Poor's Corp. Confidence in Japan's financial sector has withered since November 1997, when several companies, including giant Yamaichi Securities and Hokkaido Takushoku Bank, one of Japan's 10 largest, collapsed.

Many other firms, burdened with a mountain of bad debt, are expected to come under increasing pressure when annual earnings results are released later this spring.

"Sales of safes began picking up from around the end of November last year, and there is no doubt this is due to fears about the financial system," said a floor manager at one of Tokyo's largest department stores.

Although he used to sell three to four a month, volume doubled from November on and shot up to 22 in February.

At Eiko Yamada, production rose from 10,000 safes in November to 15,000 in February.



A representative of Eiko Yamada Co., Japan's largest maker of safes, demonstrating one of his company's best-selling models. Safes are selling well because of the economic downturn.

"Profits for calendar 1998 are likely to be up 150 percent over last year," Mr. Ishii said.

Bank collapses are not the only fear behind the current boom.

Bank interest rates of only 0.5 percent and memories of the devastating Kobe earthquake three years ago are also encouraging people to buy home safes, industry analysts say.

The best-selling models are fire-proof and weigh 50 to 100 kilograms, but are about 50 centimeters wide and 40 high — small enough to fit in the tiniest of Japan's famously cramped houses.

The floor manager said most customers were in their 40s to 60s

— "people who finally have a little bit of money to spare" — although some younger people were buying safes as gifts for their parents.

While there is no ceiling on prices for top of the line safes, most buyers refuse to pay much more than 20,000 yen (\$160).

"There's always been a feeling

in Japan that nobody can protect your valuables but yourself," Mr. Ishii said, "and this has only gotten stronger after Yamaichi and the other failures."

"You're buying security, but what's best is that you can do it without a huge investment," he added.

Mr. Ishii said, "and this has only gotten stronger after Yamaichi and the other failures."

"You're buying security, but what's best is that you can do it without a huge investment," he added.

Japan's 'Mr. Yen' Denies Charges of Influence Peddling

Bloomberg News

BANGKOK — Eisuke Sakakibara, Japan's deputy finance minister for international affairs, said Wednesday that allegations he abused his authority were groundless and that he would not resign.

Mr. Sakakibara said "there is no evidence" he was involved in any influence peddling as some politicians charged. "I don't think this will have any impact on my career," he said.

Mr. Sakakibara, touring Southeast Asia to underscore Japan's financial commitment to the financially troubled region, spoke at a press conference at Thailand's Finance Ministry.

He is being investigated by Japan's Ministry of Finance on charges he intervened on behalf of a company to help it recover losses on investments handled by Daiwa Securities Co. in the early 1990s. Finance Minister Hikaru Matsunaga told Parliament on Tuesday.

The allegations were raised in Parliament by Shozo Kusakawa, an opposition lawmaker who cited his own investigation. "We will investigate, looking at the materials from that time," Mr. Matsunaga said.

Mr. Sakakibara, known as "Mr. Yen" for his influence on the currency markets, has talked up the Japanese currency in recent months. Any diminishment of his role could reduce the effectiveness of that policy.

Toshio Muto, the ministry's secretary general, told Parliament Tuesday that the ministry investigated the allegations in 1991, when the issue was first raised by legislators. Mr. Muto said the ministry received a report from Daiwa at the time that compensation was paid after the securities company found one of its branch managers made trades without the client's permission.

Central Bank In Thailand On Defensive

By Thomas Crampton
International Herald Tribune

BANGKOK — The central bank of Thailand on Wednesday denied an accusation that it had been responsible for spending billions of dollars last year in a failed effort to prop up a host of financial institutions.

Ministers of the three-month-old government of Prime Minister Chuan Leekpai spent six hours Tuesday questioning the central bank governor, Chaivawat Wibulsawadi, trying to determine who authorized spending the money.

"The Ministry of Finance set policy, but day-to-day decisions were made by the Bank of Thailand governors," said Tanya Srividhan, assistant governor of the central bank. "Everything was according to government policy and the Ministry of Finance was informed of all actions."

The bank said that more than 80 percent of the funds had been approved by the government of Prime Minister Chavalit Yongchaiyudh, who resigned in November.

In little more than a year, the central bank built up liabilities of 1.1 trillion baht (\$25.4 billion) — equivalent to one fifth of the nation's gross domestic product — largely to support financial institutions as panicked depositors withdrew their money.

Analysts said the debate between the new government and the Bank of Thailand was a sign that the nation was opening the management of the economy to more scrutiny. Several ministers recommended reorganizing the bank to institute a more transparent structure.

The money loaned by the central bank was disbursed through the Financial Institutions Development Fund, a separate entity run out of the central bank and led by the governor of the Bank of Thailand.

"At that time, the instability and lack of confidence meant there was systemic risk," Mrs. Tanya said.

"With individual institutions unable to pay depositors, the crisis would affect the whole economy."

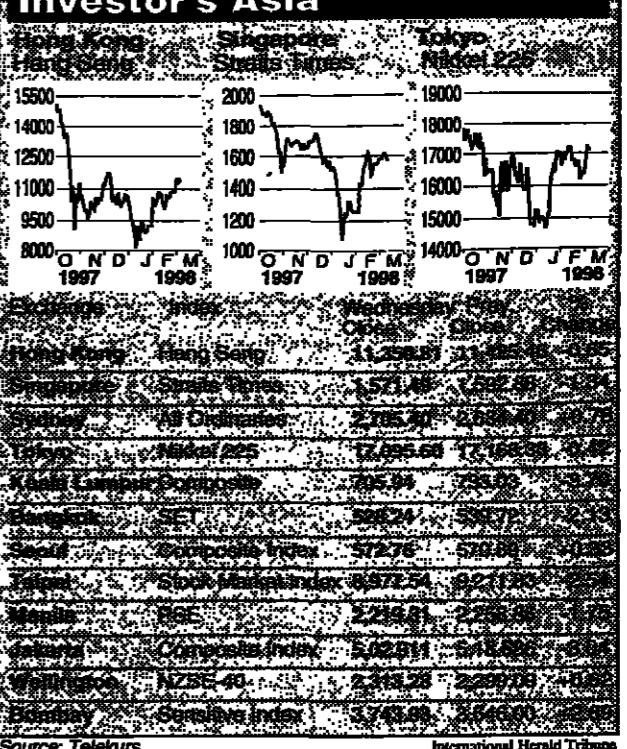
Much of the money was spent supporting 56 politically powerful finance companies and four commercial banks, all of which the authorities have closed or nationalized in the last six months.

The loans to the banks have been converted into equity for the most part, and all loans extended to the 56 finance companies are tied up until their assets are auctioned off.

On Wednesday, the central bank called a news conference to release statistics concerning the liabilities built up by the Financial Institutions Development Fund.

The statistics showed that the fund had 716.1 billion baht of loans outstanding that were extended to maintain liquidity at commercial banks and finance companies.

Investor's Asia



Source: Telekurs International Herald Tribune

Very briefly:

• Tokyo prosecutors arrested three former top executives of Yamaichi Securities Co., including the failed brokerage's former chairman and president, on suspicion of violating Japan's securities law. The three men were charged with ordering false securities reports that omitted losses of more than 260 billion yen (\$2.07 billion) last year.

• U.S. trade officials said Japan had failed to meet the two sides' targets for deregulating its restricted markets during high-level talks in Tokyo.

• Japan will appoint a woman, Eiko Shinotsuka, professor of labor economics at Tokyo's Ochanomizu University, for the first time to the policy-making board of the Bank of Japan, news reports said.

• Australia's gross domestic product grew a seasonally adjusted 0.5 percent in the last quarter of 1997, below forecasts of a rise of 0.8 percent.

• Cisco Systems Inc. opened its first overseas networking multimedia laboratory in Taipei to help develop local information and technology industry.

• Digital Equipment Corp. has taken a 51 percent stake in a \$3 million joint venture with START Computer Group of China to make Digital-branded desktops and servers.

• Development Bank of Singapore Ltd. posted a 34.8 percent fall in 1997 net profit, to 436.4 million Singapore dollars (\$268.6 million), saying its bottom line had suffered from large provisions for bad or doubtful loans.

• Compaq Computer Corp. unveiled in Singapore the Deskpro 1000, the first of a series of low-priced but powerful personal computers targeted at crisis-hit Asian economies and emerging markets.

• Mitsubishi Electric Corp. will stop selling desktop personal computers for home use in Japan because of poor sales, and has decided to withdraw from the British home-computer market, Nikkei English News reported. Reuters, AFP, Bloomberg

Texas Instruments to Cut Acer Link

The Associated Press

TAIPEI — Acer Group said Wednesday that Texas Instruments Inc. planned to pull out of its nine-year memory-chip venture with the Taiwan company because of huge losses.

Acer, with a 49 percent stake in the venture, said it would take Texas Instruments' 33 percent stake for an undisclosed price. TI-Acer posted a loss of about 4.6 billion Taiwan dollars (\$143.5 million) for 1997 due to a drop in the prices for its sole product, dynamic random-access memory chips.

Announcements

Herald Tribune

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Personals

Congratulations to
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and
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on the birth of their son,
RIK
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All the best, Diana, Andrew
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Herald Tribune INTERNATIONAL SPORTS

THURSDAY, MARCH 5, 1998

WORLD ROUNDUP

Arbitrator Rules In Sprewell's Favor

BASKETBALL Latrell Sprewell, dismissed and suspended for a year for attacking his coach, won both his grievances on Wednesday when an arbitrator ruled that his team must reinstate his contract and the National Basketball Association must reduce his suspension by five months.

Sprewell will become a member of the Golden State Warriors on July 1.

He was suspended for one year by the NBA's commissioner, David Stern — the longest non-drug-related penalty in league history — for his Dec. 1 attack on Coach P.J. Carlesimo. Stern cited the "pre-meditated" nature of the attack, but an arbitrator, John Feerick, rejected that characterization.

"The evidence indicates that there is no history of both the league and a team imposing discipline for the same violent conduct, on or off the court," Feerick wrote in his decision. "This speaks to the issue of fairness, as I see it."

The reinstatement of Sprewell's contract means he will be paid the remaining \$16.3 million he is owed over its final two years.

The decision was a resounding victory for Sprewell and the NBA players' union, which argued that the penalties were both unduly harsh and unprecedented. "This decision is a victory that is shared by Sprewell and the other 400 members of our union — it reaffirms the sanctity of guaranteed contracts in the NBA," said the union's president, Billy Hunter.

(AP)

Patriots' Meggett Charged With Assaulting Dancer

FOOTBALL A 33-year-old Toronto woman says that a New England Patriots running back, David Meggett, punched her in the face in an argument over money after she broke off a sexual encounter.

Meggett, 31, and Steve Brannon, 29, also a professional football player, were charged in Toronto with sexually assaulting the woman, an exotic dancer. Meggett also is charged with robbing her.

In interviews with Boston newspapers, the woman, whose name was not made public, gave her account of what allegedly happened last Thursday night and early Friday morning at the Royal York Hotel in Toronto. Meggett "punched me in the face from ear to ear like he was a boxer," she said.

Meggett's lawyer, Alan Gold, said the woman had agreed to have sex with both men.

(AP)

Yankees Hire a Woman

BASEBALL Kim Ng, director of waivers and records for the American League, was hired Wednesday as assistant general manager of the New York Yankees.

Ng became the second female assistant general manager in the majors, after Elaine Steward, who was hired by the Boston Red Sox in 1990.

Ng, who directed computer operations for the White Sox and aided in preparation for salary arbitration cases from 1990 to 1996, joined the American League in January 1997.

(AP)

Surging Knicks Top Nets, 94-91

The Associated Press

Larry Johnson scored 23 points, Charles Oakley grabbed a season-high 16 rebounds and the New York Knicks shot 20-for-22 from the foul line in a gritty, 94-91 victory over the New Jersey Nets in Madison Square Garden.

Allen Houston added 20 points on Tuesday night, reaching that plateau for the 14th time in 17 games, as the Knicks

improved to 9-2 since the All-Star break and moved 2½ games ahead of the Nets in the Atlantic Division.

New Jersey, losing for the sixth time in eight games, lost its All-Star center Jason Williams, who suffered a pulled abdominal muscle. There was no immediate word on his condition.

The score was 92-91 after Sam Cassell, who led the Nets with 19 points and 10 assists, converted a 3-point play with 27.1 seconds left.

Charlie Ward, who had 10 points and eight assists for the Knicks, dribbled to run down the clock and was fouled going to the hoop with six seconds left. He made both shots for a 94-91 lead.

The Nets called a time-out and put the ball in play at half-court, finding Keith Van Horn open at the 3-point line. His shot missed, making him 4-for-14 from the field, and the clock ran out as the ball bounded away.

Jazz 108, Raptors 93 In Toronto, Shandon Anderson scored a career-high 26 points and Bryan Russell added 21 to lead a 55-point barrage as Utah beat the Raptors.

Anderson scored 18 in the first half in 17 minutes. Karl Malone scored 18 of his

22 points in the second half and added nine rebounds. John Stockton had seven points and 11 assists plus seven points.

Mavericks 110, Timberwolves 99 Cedric Ceballos scored 22 points as the Mavericks won their second road game in four nights, beating Minnesota.

Shaun Bradley, replaced in the starting lineup by a rookie, Chris Antsey, responded by coming off the bench for 16 points and five blocks.

Kevin Garnett had 21 points and 11 rebounds for the Timberwolves, playing without their injured forward Tom Gugliotta, who is out for the season with an ankle injury.

SuperSonics 97, Heat 91 Gary Payton snapped a shooting slump with a deep 3-pointer in overtime as visiting Seattle ended Miami's 10-game winning streak.

Payton, who was only 3-for-13 for 12 points, hit a 27-foot (8-meter) field goal as the shot clock wound down to make it 91-89 with 2:39 to play.

A minute later, Payton drove the lane and passed to Detlef Schrempf for a baseline jumper. Hersey Hawkins finished off the Heat with a hook shot to make it 95-89 with 21.2 seconds left.

Hawkins and Schrempf each had 18 points for Seattle. Alonzo Mourning and Voshon Lenard each scored 20 for Miami.

Bulls 118, Nuggets 99 In Chicago, Michael Jordan scored 30 points and Scottie Pippen added 24 as the Bulls struggled for most of three quarters before routing Denver.

Dennis Rodman had 17 rebounds but was benched by the Bulls' coach, Phil Jackson, late in the third quarter after Danny Fortson, a Denver rookie, over-

powered him on three consecutive post moves, cutting Chicago's lead to 75-72.

Rockets 107, Clippers 97 Clyde Drexler scored nine of his 24 points in the fourth quarter and had 11 assists as Houston handed the Los Angeles Clippers their sixth straight road loss.

Kevin Willis added 21 points, while Hakeem Olajuwon scored 18 and had 15 rebounds as he set a Rockets record by appearing in his 1,003rd game.

Trail Blazers 86, Suns 83 Isaiah Rider scored 33 points, including a crucial four-point play with 3:59 remaining, as host Portland survived the second-quarter loss of Damon Stoudamire, who sprained his ankle, to beat Phoenix.

The Blazers led by as many as 22 in the second quarter but turned sluggish without Stoudamire. Rider's four-point play put the Blazers ahead for good at 86-83.

Jason Kidd scored 19 of his 23 in the second half for the Suns. Danny Manning added 15 points.

Pacers 111, Grizzlies 103 In Vancouver, Rik Smits scored 26 points to lead Indiana over the Grizzlies.

Indiana won its third straight despite allowing their highest point total in seven games. The Pacers were coming off back-to-back victories in which they held Portland and Denver to an NBA record-low 122 points.

Antonio Davis came off the bench to score 22, and Reggie Miller scored 20 before being ejected after his second technical foul with 1:36 left.

Shaqef Abdur-Rahim led Vancouver with 27 points, his highest total in 10 games. Bryant Reeves overcame early foul trouble to finish with 21 points and seven rebounds.



The Raptors' Tracy McGrady snatching the ball away from Utah's Shandon Anderson, left, and John Stockton, but Toronto lost at home.

Ronaldo's Goal Stops Schalke; Spartak Beats Ajax

The Associated Press

The Brazilian striker Ronaldo fired Inter Milan to a 1-0 first-leg victory over Schalke of Germany in the quarterfinal of the UEFA Cup while Spartak Moscow produced the big upset of the night — a 3-1 victory at Ajax Amsterdam.

Ronaldo struck after 17 minutes on Tuesday night at the San Siro Stadium in Milan in a repeat of last year's final.

THE UEFA CUP

The teams will play the second leg on March 17 in Gelsenkirchen, Germany.

Spartak, which has never won a European soccer title, looks almost certain to be in the UEFA Cup's final four.

Two goals from Alexander Schirkov and another by Valeri Ketchinov gave Spartak a stunning victory over the Dutch league leader.

In the first leg of other UEFA quarterfinals, Lazio edged Auxerre, 1-0, and Atletico Madrid scored a 1-0 victory over Aston Villa.

Ronaldo, who moved to Inter from Barcelona last year, outdribbled two defenders and scored with a powerful left drive from 11 meters. The goal came a few minutes after the 21-year-old Brazilian star had hit the post.

Schalke, which defeated Inter on penalties in last season's final, had chances to tie, and Martin Max hit the post in the 36th minute.

"We scored one goal and did not allow any. This was our goal for tonight," said Inter's French forward, Youn Djordjevic. "Schalke proved stronger than last year. We can expect a tough second leg."

In Amsterdam, Schirkov fired under goalkeeper Edwin van der Sar as he dived for the ball in the 26th minute, after Ketchinov and Maxim Bouznikin set up the play.

Shirkov made it 2-0 in the 52d minute on a pass from Egor Titov.

Shota Arveladze then scored for Ajax.

The referee, Guenter Benkoe, turned down Ajax's appeals for a penalty after Arveladze went down, and it got worse for the Dutch team when Ketchinov beat Van der Sar with an angled shot late in the game to make it 3-1.

A blunder by Auxerre's goalkeeper, Lionel Charbonnier, handed Lazio a 1-0 first-leg advantage. Charbonnier failed to connect on a pass and Pierluigi Casiraghi fired home Lazio's winning goal from a difficult angle.

The victory before some 30,000 fans at Rome's Olympic Stadium extended Lazio's unbeaten streak to 17 games since November. But Lazio had to spend the last 24 minutes without its Yugoslav midfielder, Vladimir Jugovic, who was ejected after his second yellow card.

In Madrid, the Italian striker Christian Vieri caused problems for the Villa defense in a one-sided first half, and put Atletico ahead from the penalty spot three minutes before halftime.

But the English club fought back in the second half, and Julian Joachim and Dwight Yorke both missed chances to even the match.

Elsewhere in European soccer, Borussia Dortmund, the defending champion of the Champions Cup, took on Bayern Munich on Wednesday night.

Manchester United, on course for a fifth league title in six years in the English Premier League, traveled to Monaco; Bayer Leverkusen hosted the six-time titlist Real Madrid and Dynamo Kiev visited Juventus of Turin.

In the Cup Winners Cup quarterfinals Thursday, Chelsea goes to Real Betis, AEK Athens hosts Lokomotiv Moscow, Vicenza plays at Roda JC and Stuttgart travels to Slavia Prague.

Cup Tickets Are Likely to Stay Scarce

The Associated Press

BRUSSELS — Despite accusations of French favoritism, the European Union said Wednesday it had little hope of forcing changes in the allocation of World Cup soccer tickets to allow more foreign fans to watch their teams in person.

"It's too bad, but too much has gone wrong already," said the EU's competition commissioner, Karel van Miert, on the eve of talks in Brussels with French World Cup organizers on the issue.

Following a barrage of criticism from many European World Cup qualifying countries that not enough tickets were available for their fans, the EU told organizers to come up with a fair distribution system.

Van Miert has objected to the method of ticket sales, claiming it discriminates against non-French nationals. He has said that too many tickets sold through tour operators were entering the black market in great quantities. Van Miert has also said it was unfair that a phone number to dial for individual tickets works only inside France. Those who buy single tickets must give a French address.

The organizing committee for the tournament, which is to take place between June 10 and July 12, maintains it is only applying FIFA rules, which allow 65 percent of the tickets to be sold in France.

At the talks on Thursday, the organizing committee will be represented by its director, Jacques Lambert, and Isabelle Delaey, who is in charge of ticketing.

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from injured list, Put C Charles Jones on injured list, Signed C Mike Jones to 1-year contract.

LA CLIPPERS—Signed LB Jerry Wright to injured list. Activated G James Collins from injured list.

ATLANTA—Signed OL Jerry Wright to injured list. Activated G James Collins from injured list.

Japan 5, Hong Kong 1

CRICKET

NATIONAL FOOTBALL LEAGUE CINCINNATI—Signed LB Jerry Crowley to 2-year contract.

DENVER—Agreed to terms with QB Doug Nussmeier on 1-year contract.

DETROIT—Signed DL James Williams along backs coach, and Brian Schaffhauser offensive coordinator and quality control coach.

MIAMI—Signed S Brock Marin to 3-year contract. Re-signed OL James Brown to 5-year contract.

MILWAUKEE—Agreed to terms with RB Robert Smith on 5-year contract.

SAN FRANCISCO—Waived RB Terry Kirby.

Signed DB Mario Green, DL Jeff Posey, DE Tony Casillas, and WR Mike Johnson.

WASHINGTON—Signed D Wade Baldwin to 3-year contract.

BROWNSBURG—Re-signed LB Jerry Crowley to 2-year contract.

COLUMBUS—Re-signed DL Wade Baldwin to 3-year contract.

DETROIT—Signed C Mike Jones to 1-year contract.

HARRISBURG—Signed CB Mike Jones to 1-year contract.

HIGH POINT—Signed DE Jeff Posey to 1-year contract.

KANSAS CITY—Re-signed DL Mike Jones to 1-year contract.

MINNEAPOLIS—Re-signed DL Mike Jones to 1-year contract.

NEW ORLEANS—Re-signed DL Mike Jones to 1-year contract.

PHILADELPHIA—Re-signed DL Mike Jones to 1-year contract.

ST. LOUIS—Re-signed DL Mike Jones to 1-year contract.

TAMPA BAY—Re-signed DL Mike Jones to 1-year contract.

TEXAS—Re-signed DL Mike Jones to 1-year contract.

WICHITA—Re-signed DL Mike Jones to 1-year contract.

WISCONSIN—Re-signed DL Mike Jones to 1-year contract.

WYOMING—Re-signed DL Mike Jones to 1-year contract.

ZEPHYRHILLS—Re-signed DL Mike Jones to 1-year contract.

SPORTS

Baseball Heroes**Doby, First Black in AL, Is Going To Hall With Another MacPhail**By Murray Chass
New York Times Service

Larry Doby followed Jackie Robinson by only 11 weeks in helping to break baseball's color barrier, but it took him 36 years to join him in baseball's Hall of Fame. Lee MacPhail, on the other hand, needed only 20 years to join Larry MacPhail as the first father and son to be admitted to the Hall.

Doby, whose 13-year major-league career lasted three years longer than Robinson's, and MacPhail, who held nearly every executive position except commissioner in a 35-year career, were among four men elected Tuesday by the Hall of Fame's veterans committee.

Also elected were Bullet Joe Rogan, a Negro Leagues player, and George Davis, a forgotten turn-of-the-century shortstop.

"It's kind of like a bale of cotton has been on your shoulders and now it's off," Doby, a New Jersey resident, said after receiving the news at the home of Don Newcombe, the former Brooklyn Dodgers' pitcher, in southern California.

MacPhail, a resident of New York's Long Island, was at his winter home in Delray Beach, Florida, when he was informed of the veterans committee vote.

"It's a great thrill for me; I can't quite believe it," he said. "My whole working life was baseball. Baseball was so great to me and my whole family."

Doby, MacPhail and Don Sutton, whom the Baseball

Writers Association elected, will be inducted into the Hall of Cooperstown, New York, on July 26.

Doby, 73, won election over Orlando Cepeda, Dom DiMaggio and Bill Mazeroski. The former outfielder, who currently is a special assistant to the American League president, Gene Budig, had received support from the committee last year, and at least 10 of its members decided it was Doby's time. A 75 percent vote was required.

Doby, who had a career .283 batting average playing primarily for the Cleveland Indians and the Chicago White Sox, also apparently benefited from baseball's celebration last season of the 50th anniversary of the end of the unwritten ban on black players.

Although Doby's statistics were not overwhelming — he hit 253 home runs and drove in 970 runs — committee members felt he was equal in importance to Robinson.

Doby, who had a cancerous kidney removed last October, credited the Indians' owner Bill Veeck with helping their revolutionary venture succeed.

Referring to Branch Rickey, who signed Robinson for the Brooklyn Dodgers, Doby said:

"Mr. Rickey had to have courage. So did Mr. Veeck, but Mr. Veeck more so because he wasn't thought of in the same vein as Mr. Rickey. Without him, I never would have been successful."

Doby, who made his American League debut on



Fred R. Conrad/The New York Times

Larry Doby followed Jackie Robinson by 11 weeks.

July 5, 1947, after playing four seasons in the Negro leagues, said that Veeck, made it easier for him to control his temper. "When you're 22 years old, you don't know too much about turning the other cheek," he said.

MacPhail, 80, had remarkable credentials for selection to the Hall.

In a career that began in Reading, Pennsylvania, in 1941, he served as president and general manager of the Baltimore Orioles, baseball administrator in the commissioner's office, general manager of the Yankees, president of the American League and head of the Player Relations Committee, the owners' labor body.

"I was never a general manager of a pennant winner," MacPhail said. "That was a disappointment. But the last trade I made was the best trade I ever made and helped set up some Orioles pennants."

MacPhail referred to his trade for Frank Robinson before the 1966 season. Seven years later, MacPhail was the first general manager George Steinbrenner had as owner of the Yankees.

MacPhail was American League president for 10 years, then became the owners' chief labor executive in 1984.

As a member of the management negotiating team, he had been instrumental in settling the 50-day players' strike in 1981, and he was effective again in 1985, as the lead negotiator, in averting a lengthy work stoppage.

MacPhail's father, Larry, who was elected to the Hall of Fame in 1978, ran the Cincinnati Reds, where he pioneered night baseball in 1935; the Brooklyn Dodgers and the Yankees. His son, Andy, is president of the Chicago Cubs, and his grandson, also known as Lee, is the Cleveland Indians' scouting director.

Penn Unable to Hold That TigerBy Thomas George
New York Times Service

PHILADELPHIA — No Ivy League team had stayed within 10 points of Princeton. None had weathered the Tigers' sharp shooting and crisp passing. None could contend with their switching defenses.

None could beat them. Pennsylvania certainly tried.

Penn collapsed in the first half, soared in the second and then wilted to Princeton in overtime, 78-72, before 8,722 frenzied fans here Tuesday night in the cozy Palestra. Pennsylvania (17-12, 10-4 in the Ivy League) finished its regular season with spirit and with grit and a score into Princeton and its fans.

But Princeton, the nation's No. 8-ranked team, showed why this has been one of its most special seasons. Its record is 26-1, and its league mark 14-0; it becomes only the 10th team to reach a 14-0 mark in Ivy League history.

It won a school record 26th game. It has won 19 consecutive games now; the last Princeton team to do that was the

1924-25 squad. Princeton heads to the NCAA tournament full of confidence and tested to the peak. And victorious in that test — a team full of staying power and mental toughness.

That was what it took to shake Pennsylvania.

Princeton won the first half on the strength of center Steve Goodrich, who finished with a game-high 33 points. It won the second half on the back of forward Gabe Lewulis, who finished with 18 points. And then it used the 1-2 punch of both to win in overtime.

In the first half, Pennsylvania looked dead. It looked tentative and did not take advantage of its inside game and watched the Tigers more than it shoved them aside in trailing behind, 37-24.

In the second half, however, Penn made it a game. A hot one. A good one. It forced the action. It fed the ball inside, nudging Goodrich and inducing him into foul trouble. And it made more shots. Late in the half, it had made 12 of 20 floor shots and 10 of its 12 free throws. It made only three turnovers and that helped the Quakers turn the game around.

Pennsylvania won the second half, 42-29, and forced the game into a 66-66 tie and into overtime. The final few minutes of regulation were frenetic. It looked great for Penn in the final seconds when it got three shots — including two close put-back attempts — where the third try finally fell. Guard Matt Langell scored the basket and Penn led, 66-65, with 40 seconds left.

But there were 12.1 seconds left when the Tigers ran their famous backdoor play and sprung free forward James Mastaglio. He missed the basket, was fouled and then hit his first free throw. Game tied at 66-66. He missed the second, however, and Penn raced down with the final shot of regulation. Its best attempt proved to be an off-balance try that had little chance and off to overtime both teams went. Penn's chances were proved even more futile.

For Princeton's coach, Bill Carmody, the victory was especially sweet. He became only the seventh coach in Division I history to win 50 games in his first two years. And he is now a perfect 28-0 in Ivy League games.

Butler and South Alabama Win Titles*The Associated Press*

Butler did it. So did Valparaiso. And South Alabama, too, but with more intrigue.

For the second straight season, the Butler Bulldogs and South Alabama Jaguars played their way into the NCAA tournament by winning conference tournaments. Valparaiso, meanwhile,

COLLEGE ROUNDUP

made it three consecutive NCAA berths with a 67-43 victory over Youngstown State on Tuesday night in the Mid-Continent Conference title game.

At Green Bay, Wisconsin, Matthew Graves scored 18 points and Otis Frazer added 17 as Butler beat Wisconsin-Green Bay, 70-51, to win the Midwest-Collegiate Conference title.

NHL ROUNDUP

made its unbroken streak to four games (3-0-1) and jump over the Capitals and idle Montreal Canadiens into fourth place in the National Hockey League's Eastern Conference. It was the second straight time the Capitals were shut out. They were beaten 3-0 on Sunday by Buffalo.

Tommy Salo redeemed himself after a poor outing by stopping 34 shots to lift the New York Islanders to a 3-1 victory over the Philadelphia Flyers.

Salo, who started his 12th straight game Tuesday night, admitted he was not at his best in New York's 5-4 loss Sunday to the Boston Bruins, but it was his goaltending that helped stop a three-

NHL ROUNDUP

game losing streak for the Islanders and extend their home unbeaten streak to five games over the Flyers (4-0-1).

New York got goals from Sergei Nemchinov, Zigmund Palffy and Robert Reichel. Rod Brind'Amour scored for Philadelphia.

Garth Snow stopped 21 shots for the Flyers.

Snow was chosen to start after Ron Hextall lost for the fifth time in six games in a 4-3 loss Monday night in New Jersey.

Bruins 3, Capitals 0 Jason Allison had two goals and an assist, and the Bruins' backup goaltender, Rob Tallas, made 23 saves as visiting Boston beat Washington.

The triumph allowed Boston to

stretch its unbeaten streak to four games (3-0-1) and jump over the Capitals and idle Montreal Canadiens into fourth place in the National Hockey League's Eastern Conference. It was the second straight time the Capitals were shut out. They were beaten 3-0 on Sunday by Buffalo.

Sergei Samsonov added a goal and Dimitri Khrustich had three assists for the Bruins, who won despite playing with only five defensemen. But Washington, which has dropped five straight games and is winless in six, could not take advantage of Boston's predicament.

Bruins 3, Blackhawks 3 Pavol Demitra had a goal and two assists as host St. Louis continued an offensive surge with a victory over Chicago.

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The triumph allowed Boston to

in his last four games for the Blues.

Flames 2, Lightning 1 Tommy Albelin, who last scored on Nov. 20 against the Florida Panthers, recorded his second goal of the season to lift Calgary over visiting Tampa Bay.

Albelin broke a 1-1 tie at 12:31 of the second period, with the Lightning's Stephane Richer in the penalty box for interference and misconduct.

Tampa Bay's Darcy Tucker tied the game at 1-1 early in the second period.

Calgary's Cory Stillman scored his 19th goal of the season and 100th NHL career point at 11:39 of the first period on a setup from Theo Fleury.

■ Stars' Rookie Goalie Honored

Roman Turek, the Dallas Stars' backup goaltender, is the NHL's rookie of the month. The Associated Press reported.

Turek won all three games he started last month, posting a 0.67 goals-against average with a .972 save percentage. In 16 games this season, the 27-year-old Czech is 9-5-1 with a .909 save percentage.

The Stars' goalies — Ed Belfour, Turek and Emmanuel Fernandez — have a combined 1.94 goals-against average, tops in the league.

Salo's 34 Saves Give Islanders a Victory

The Associated Press

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NHL ROUNDUP

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CALVIN AND HOBBES

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ART BUCHWALD

The Art of Leaking

WASHINGTON — O.K., I'm going to let it all hang out. I know Sidney Blumenthal, Ken Starr's key witness in the Whitewater case. It was Blumenthal who told reporters, "A river runs through it."

I can't claim that Sidney is an intimate friend of mine. I never played golf with him, nor did I ever ask him to get my daughter a job.

But I did meet him once at a Georgetown dinner party. He didn't look like someone who would leak White House stories to the press — but then again, leakers never look like they are supposed to.

I didn't give Sidney the respect I should have because I didn't realize he would become famous someday as a source of information to some of the top publications and



Piccolo Teatro Gains 'National' Status

Agence France-Presse

MILAN — The Piccolo Teatro, founded by the late Giorgio Strehler, has risen to the rank of national theater, Italy's culture minister, Walter Veltroni, has announced.

Next Monday, the theater — whose new venue was finally inaugurated in January after protracted wrangling over finance — is expected to be given a new board of administrators. Veltroni said. Local officials, who have controlled the theater's finances, had opposed the transformation into a national theater, saying they feared the consequences of state control.

TV networks in the country. But after dinner I realized he was much more than he seemed to be. Under the table he handed me a clipping from The Washington Post saying that several of Starr's lawyers were nerds.

"Where did you get this?" I asked.

"I can't tell you," he said. "But for heaven's sake don't tell anyone I gave it to you."

During the laconic course Blumenthal slid an article from The Wall Street Journal under my plate. It revealed that while Starr was still a special prosecutor he was making a million dollars a year from private practice.

I was astonished. "You really know how to dig up stuff on the other side," I told him. "I missed this in the Journal."

He handed me a brown envelope. "There are clippings in there from The New York Times and the London Daily Mirror concerning Starr's claim that he has the First Amendment on his side. We'll hang him with that one."

□

I stuffed the envelope into my pants. I was so excited I couldn't eat the brownies the hostess served for dessert.

That's the only time I saw Blumenthal, but I have a terrible fear he told the grand jury what he leaked to me. If things continue as they have been, I'll be called next.

My preference is to take the Fifth Amendment against self-incrimination, but that could hurt my friendship with Sidney.

Maybe I'll name other newspapermen who think Starr is engaged in a right-wing witch hunt. But then again, if I don't get immunity, maybe I won't.

And then there's Princess Diana, our homage of whom in

Stanley Crouch: Verbal Assault in First Degree

By Paul Hendrickson
Washington Post Service

NEW YORK — Stanley Crouch will assault you right up front with advertisements for himself. Thus, the first sentence in the introduction of his new book: "I want to keep the velocity of my exchange with the world at a high pace because I am now at a point where I feel right in the middle of our time, our era, our age." The self-regard gets a lot more rank than that. This is a 250-pound literary bull, and, like Mailer in his prime, and Hemingway before, he is snorting and pawing and thrashing around in the word-games, daring you to dislike him. Why, he'll buck you right off.

He tends to savage anybody. He once called Toni Morrison a writer with "no serious artistic vision or real artistic integrity." He said Spike Lee was a "nappy-headed Napoleon." He said Malcolm X was "the chief black heckler of the Civil Rights Movement." While his enemies — and there are plenty of those — claim that the targets of his attacks are overwhelmingly black and liberal, the closer truth and inspection of his work suggests that he's an equal-opportunity destroyer.

All in the name of improving America's mind you. For at bottom, Stanley Crouch, the writer and jazz aficionado, thinks of himself as a humanist, wishing only to bring us together. He would goad us to be better — that's his take. "It's not a matter of being combative," the 52-year-old cultural-political critic insists. "It's a matter of telling the truth."

His fame-moment in America seems clearly here. He is a contributing editor to the New Republic. He is a twice-a-week columnist for the New York Daily News. He is a founder of the Jazz at Lincoln Center program. He appears as a panelist on "The Charlie Rose Show." Five years ago they laid a MacArthur Foundation "genius" grant on Stanley Crouch.

Pauline Kael, one of his many fans and current blurbists, thinks of him as "almost scarily fearless" in being able to say what he thinks across all color faults and ideology divides. And yet, reading him, watching his moves, one gets the disquieting sense that Stanley is mostly about Stanley. It's as if he's discovered there's gold in them thar hills: cutting people badly and witty.

In his new collection of essays, aptly titled "Always in Pursuit," Crouch tells us Madonna got "famous for appropriating every slutt direction possible." He calls Alex Haley's "Roots" a "despicably fraudulent work that cashed in on the Black Power appetite for African ancestry." O.J. Simpson? At the time of the murders he "was handsome, charming, violent, and illiterate." Christopher Darden and Marcia Clark? "Those two — pressed by tabloid gossip into uncorroborated copulation — made sure they weren't walking home alone after this one."

And then there's Princess Diana, our homage of whom in



Courtesy of the Washington Post

Crouch has unexpected opinions on a wide variety of subjects and people.

death last September, he says, was sickening. Really, it's we who are to be despised. Because, after all, the empty, vainglorious girl was but "that prize of the paparazzi who ended up one night in Paris as a poor young woman groaning her life away in a smashed up luxury car as the photographers licked her blood with their flash bulbs." Such tabloid-perfect riffs are pure Crouch. He's an intellectual, all right, but he likes it down there, where it's noir and dirty.

And yet, in the Diana piece, before he wrote that gaudy sentence, he wrote these sentences, which are not only true and *lofty but beautiful*: "Blood accounts for nothing. It doesn't guarantee brilliance or courage or sacrifice or anything of substance. It doesn't guarantee that you won't have any of those qualities either. Exceptional people are mysterious. They come from any place and every place, which is what our democratic conception fundamentally recognizes."

In a way, you could say that of the writer himself, who is up from the hardness of south-central Los Angeles, self-made, without a college degree, with a mother who endured and a father who put the needle in his arm and lived in penitentiaries instead of at home.

"I was closing in on 300," he says. He means pounds. But he's on a diet now — not that you'd know from the meal he just ordered in this crampy-trendy West Village cafe, around the corner from where he lives with his wife of several years, Gloria Nixon, a sculptor. (He has dedicated "Pursuit" to her.) And the dedication takes up 15 loopy lines.)

Crouch first got America's attention with his writings on

jazz. But he has widened the lens to write about almost anything now. For years he was a well-known contrarian and provocateur and staff writer at the Village Voice — until that day in the office in the late '80s when he punched out a fellow writer. The cops were called. The next day he got canned. It's a rather small but famous moment in New York journalistic history.

Somehow, he seems to have ended up being friends with most of the former Voice colleagues he either baited or threatened to slam against a wall. "I remain fond of him," says the senior editor Robert Christgau, who used to edit a lot of his pieces. Christgau remembers their first encounter. The novelist Jamaica Kincaid had written an essay on Diana Ross. "He called me up and threatened to throw me out the window for publishing this piece," Christgau says.

Christgau thinks that one of the keys to understanding Crouch is that "there's always a certain kind of presentation of self in black street culture." But that once you get past the posturing and literary brawling, there's a charming guy inside, a pretty humanistic one, in fact.

The incident that precipitated the canning at the Voice was an argument over rap. Crouch thinks gangsta rap is one of the current plagues on America. It's created some kid millionaires and studio mega-millionaires at a terrible cost to the rest of us. "When anarchic, brutal, self-absorbed violent attitudes are projected as if they're O.K. he says, trailing off. He despises "that kind of protracted rudeness, that kind of touchiness" that you see everywhere out there on the street nowadays.

For much more than a decade now, Crouch, known as a world-class talker, has been supposedly "finishing" the big landmark novel titled "First Snow in Kokomo," and the even bigger landmark bio of Charlie Parker. That one, begun around 1982, is reported to have gone through three different publishing houses.

But are these projects — along with his much-talked-of and in-progress TV miniseries history of jazz — really talked out, talked over, in the way Capote kept promoting and promoting, but apparently hardly ever wrote a lick of "Answered Prayers"?

Bull. He's heard the theories that he can't finish the big ones. "They say that," he says, smiling. But then, more softly: "Well, the basic thing is, quite frankly, no." Then, "They're going to be surprised." He says the Parker book will finish this year; he has 400 pages.

The mini-series on jazz will be "mythic. Not true. Mythic." How's that? "Well, like John Ford did the cavalry," he explains. He intends to place the American Negro (he almost defiantly seems to employ the word "Negro" rather than "black") in his rightful place as part of American myth, right there with such icons as the Alamo, the frontiersman, the Civil War. "I have big designs — you know what I mean? I don't have small designs."

PEOPLE



Sean Connery and his wife, Micheline, at Time's party.

Nin the crowded lobby of Radio City Music Hall in New York, the Rev. Jerry Falwell chuckled and whispered into Muhammad Ali's ear. A few feet away, Lee Iacocca and F. Lee Bailey smiled for a photo op. Staring down from the balcony above, Sharon Stone posed in a zebra-striped dress, not far from Louis Farrakhan. President Bill Clinton and Mikhail Gorbachev hadn't even arrived yet. "Somebody came in and said to me, 'Who is not here?'" said the diplomat Richard Holbrooke. Well, Pope John Paul II, for one. And Queen Elizabeth II, for another. Both declined their invitations. But if Time magazine's goal was to attract a helping of A-list celebrities to celebrate its 75th anniversary, it succeeded. Time editors had insisted that the gathering was intended to celebrate leadership and great leaders rather than serve as a glossy promotional event. But still, there seemed little doubt that celebrity more than substance was the priority of the evening. As guests

arrived, Dr. Jack Kevorkian posed for photographers in front of Radio City as Raquel Welch stood nearby during a television interview. Time was launched in 1923 by two Yale students, Henry Luce and Briton Hadden, as "a brief, readable chronicle of significant events."

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A British interfaith leader has won the \$1.2 million Templeton Prize for Progress in Religion. Sir Sigmund Sternberg, executive committee chairman of the International Council of Christians and Jews, was honored for his work in Jewish-Christian dialogue and his establishment last year of the Three Faiths Forum to expand interfaith efforts to include Muslims.

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A Polish government commission has come out against Michael Jackson's plans to build a \$500 million amusement park at an old military airport in Warsaw. The

commission said offering the airport to Jackson violated "good management," but Mayor Martin Swiecki said he would appeal.

□

Elizabeth Taylor will spend several more days in a Los Angeles hospital after doctors found a compression fracture in her lower back. Taylor fell Friday — her 66th birthday — at her home and originally

was diagnosed as having bruises of the back and hip, but doctors later found the fracture. No surgery was planned, Taylor's publicist said.

□

An art dealer who swindled Jack Nicholson and other clients out of more than \$2 million was sentenced to two years in prison. A U.S. District Court judge in New York rejected an appeal for leniency, saying

Todd Michael Volpe was "living high, wide and handsome" while he defrauded 16 people between 1991 and 1995. Volpe was also ordered to make restitution.

□

Andy Warhol's 1967 portrait of Nelson Rockefeller went on display at the state office complex in Albany, New York, that was built while Rockefeller was governor. The portrait is on indefinite loan to the state from his wife, Happy Rockefeller, who was governor from 1958 to 1973 and vice president from 1974 to 1977, died in 1979 at age 70.

□

Members of the Grateful Dead announced that they would reunite under a new name, the Other Ones, and play about 30 dates in June and July with Rusted Root and Hot Tuna. There will be no replacement for Jerry Garcia, who died in August 1995 at the age of 53.

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Cameron Wins Producers' Award

The Associated Press

BEVERLY HILLS, California — James Cameron won the producer of the year title for "Titanic" at the ninth annual Golden Laurel awards ceremony of the Producers' Guild.

The awards recognize television and feature film producers. The producers of "Amistad," Steven Spielberg, Debbie Allen and Colin Wilson, received the Kodak Vision Award honoring "producers of vision," and Ken Burns received the television equivalent for "Lewis and Clark."

Clint Eastwood was honored with the lifetime achievement award in motion pictures.

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